HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Monday, June 10, 1991

The House met at 11 a.m.

Prayers

POINT OF ORDER

REMARKS DURING QUESTION PERIOD

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, pursuant to a point of order raised on Friday, I have checked the record of *Hansard* and I see that inadvertently in an answer I gave to my colleague from Glengarry—Prescott—Russell on Friday I used the word "negative" when I intended to use the word "positive". It was in fact a part of my response which was not particularly relevant to the question posed. The question asked me to take notice of a matter which I have done, but I wanted the record to be clear.

Mr. Speaker: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—UNEMPLOYMENT

Mr. Gilbert Parent (Welland—St. Catharines—Thorold) moved:

> That this House call upon the government to implement immediate measures to alleviate the devastatingly high rate of unemployment amongst Canadian youth.

He said: Mr. Speaker, before I begin my remarks, I know it is not the custom in this House to state who is here and who is not, but I am particularly pleased that the Minister of State responsible for Youth is in his seat today to hear the comments not only from this side of the House but from all sides. We hope it will help him in his deliberations to alleviate the problem of unemployment among youth.

There is no need to dwell on the importance of jobs for Canadians, and I mean all Canadians, including our youth, including students. After reaching a low of 11.1 per cent in March 1990, the seasonably adjusted youth unemployment rate has increased steadily in response to the 1990–91 recession. The seasonally adjusted youth unemployment rate reached 14.9 per cent in January of this year. This is the highest monthly rate recorded since July 1986, except of course for the last figures received which show that our youth unemployment is now well over 16 per cent. This is unacceptable in a country as rich and as supposedly prosperous as Canada could be.

The developments underlying this trend are twofold. First, seasonally adjusted youth employment declined by 138,000 or six per cent, between March 1990 and January 1991. This is some 56.1 per cent of the total decline in the seasonally adjusted employment since the beginning of this period. Second, seasonally adjusted youth unemployment increased by 32 per cent or 92,000 students throughout this period. Labour market conditions would have been worse had it not been for a 1.8 per cent decline in the size of the youth labour force during this period.

We have to question seriously the government's commitment to student employment. Last year the government decided to cut the Summer Employment/Experience Development Program, also called the Challenge program, by 35 per cent. This is a program which in 1985 provided 37,345 jobs for students. Had the program continued, it could have provided, in my opinion, in excess of 50,000 jobs this year alone.

After such a cruel blow to their expectations, the government went a step beyond and decided to close employment centres on campuses. The numbers proved that the employment centres were heavily used. For instance, the employment centre at the University of Calgary, which has a student population of about 20,000, received over 15,000 application forms. It booked 656 rooms on campus for employers and it conducted 4,415

job interviews. A program as successful as this surely should have been considered to be continued.

• (1110)

Here in Ontario at Laurentian University, which has an undergraduate population of about 3,000, last year 1,000 students were placed in casual, part-time, full-time or summer jobs through these employment centres on campus. The administrators as well as managers and workers at the employment centres can easily vouch for the fact that they are, indeed, very busy.

However, senior officials from Canada Employment Centres have maintained that there is no national strategy for the closures and that each centre is looked at individually. In other words, I guess if you are lucky your centre stays open, and if you are unlucky or at the whim of someone—we do not seem to have any criteria—then the centres are closed.

It becomes very clear what is happening across the country, and it is nothing short of a silent war of attrition waged against one of the most essential services that students still have on their campuses. As far as I know—subject to correction by whoever in the House, perhaps the minister—there has been no public process of discussion or consultation with the student bodies.

We are now at the time of year when students have finished their classes for a few months, and their employment prospects for the summer of 1991 will most likely be worse than they were in 1990. The government intends to spend an additional $3 million on the Challenge program this year, but this is only an increase of 2.1 per cent above last year's allocation. That does not even keep up with the rate of inflation, the cost of living that we have from year to year. What we have is a decline in the amount of real dollars that are being put into this particular program.

How many students are we to expect will benefit from these additional funds? Given the severity of the recession, one would think that the minister would have taken additional measures to increase employment opportunities for students this summer. It would have been, in my opinion, a very logical step.

Over the years since this government has come to power, it has prided itself on its so-called "sacred trust". Among the sacred trusts of this government and of this country, I would surely include our youth. The record shows a disturbing lack of commitment to our youth and the other sacred trust that the Prime Minister has referred to many times in the past.

I quote Jane Arnold, chairperson of the Canadian Federation of Students who said: "Students represent Canada's single most important investment in the future, our ability to compete and to prosper." It was thus extremely shortsighted of the government to take away, in a manner of speaking, our youths' ability to compete and to contribute in the future.

We are short-changing the youth of today for the sake of saving a few measly dollars. They are truly our investment in the future, and we are turning our backs on them if we cut these programs and refuse to recognize that there is a great problem in student unemployment.

The Minister of Finance in his last budget announced an extension of the two-year freeze to five years to federal transfer of payments to universities and colleges. This represents a $775 million loss for post-secondary education in 1992-93.

Over that five-year period, that is 1991 to 1995, the government will have cut a total of $3.8 billion. That is not a small sum as it is the equivalent of the combined operating budgets of universities in Newfoundland, Nova Scotia, Ontario, Alberta and British Columbia. It is close to $4 billion. That is a shame.

In the words of Professor Bob Kerr, president of the Association of University Teachers: "Canada's system of post-secondary education is hovering on the brink of bankruptcy."

What the government does not seem to link with its commitment to Canadians of jobs, jobs, jobs is the fact that these cuts are the equivalent of the loss of many, many jobs on campuses across Canada: jobs for professors, support staff, maintenance workers and administrators in the cities and towns where there are universities or colleges. This includes my riding of Welland—St. Catharines—Thorold where we have Brock University and Niagara College. The opportunities lost for employment are truly significant, and we in our particular area but right across Canada are really feeling the pinch.

I agree with the Association of Universities and Colleges of Canada which states: "Canada's foremost assets in the future will be its human rather than its natural resources". Lack of support for universities, combined with lack of support for knowledge intensive industries, may prove in fact to be the most damaging effect of the Mulroney government's preoccupation with

allowing market forces and market forces alone to dictate Canadian economic policy.

Incredibly the Tories claim to have strengthened research and development expenditures in Canada. With all due respect, this claim is simply false. In its 1990 world competitiveness report—and incidentally competitiveness is a new buzz-word for this government—Canada has been competitive over the years. We have turned out some of the best minds in the world. We have turned out many of the best products in the world. When we talk about competitiveness, this is not something new to us. We have been there. We are competitive and we will continue to be competitive in the years ahead.

To return to the world's competitiveness report, the World Economic Forum makes the following observations and conclusions, to which I concur.

Of the 23 OECD countries, Canada ranks today 17th in over-all research and development efforts, dropping from a 10th place ranking in 1984 when this government took over the reigns of power.

Second, in future orientation which heavily reflects research and development performance, Canada fell to an abysmal 16th place ranking in 1990, down from 9th spot in 1986.

This is an indictment of the policies of this government. These figures provide clear evidence that Canada's research and development effort has deteriorated significantly since the Conservatives took office. Even when compared to smaller, less wealthy countries, Canada is chronically weak in research and development performance. That is a sad fact.

Conservative support for innovation has been shamefully low. I am sad to say that it is not getting any better. At the scientific level we will surely expect a brain drain, a continuing brain drain, while at the manufacturing level we will continue to see heavy losses in employment and opportunities for jobs, Canadian jobs for our use, for our students, for the future of Canada.

The government said that we were "open for business". There are some of us who would also say that some of them on the other side think that Canada is for sale. But this country is not for sale. This country belongs to us, the Canadian people, but this style which has run throughout their economic policy has created, is creating and will continue to create economic chaos.

Not surprisingly, foreign investors have been quick to respond. Acquisition of Canadian assets by foreigners has virtually leapt in recent years. At one time they accounted for less than 10 per cent of foreign direct investment. They now account for over 55 per cent. "Open for business", I say that is a fallacy. We are giving away the economic control of our country and that is not acceptable to Canadians in this day and age.

Another example of the damaging consequences of this government's economic philosophy is found in the area of manufacturing policy. Here again our youth is deprived of opportunities, be it in the fields of research, administration or manual labour.

• (1120)

Over the past 18 months alone, Canada has lost over 172,000 jobs in the manufacturing sector. When the government introduced its legislation for Bill C-21, the UIC bill, one of the promises made to Canadians was that a substantial amount of the these funds would be redirected and used for training or retraining the unemployed.

I felt a sense of relief at this announcement as I hoped that many young people, particularly those who had dropped out of school, would have a chance to join this program, upgrade their skills or learn a trade and give them at least a fighting chance in our society.

However, as we watch the ramifications of this bill, particularly from a financial point of view, we have reason to doubt that once more the government has made a serious commitment in this area as well. Bill C-21 called for an increase in the premiums for employees and employers alike. As part of Bill C-21, the government committed itself to maintaining premium levels for 1990, 1991 and 1992.

However, this year's budget paper states: "Rates would be adjusted in such a manner to ensure the financial integrity of the account". This may mean one of two things: either employer contributions will sky-rocket to meet any deficits in the unemployment insurance fund—and we see there will be a deficit for this year—or rates will increase for employees as well, breaking the

commitment to keep the rates at the rate of $2.80 for insurable earnings for employees.

It is either the government is not telling Canadians the truth, which is very sad, or in the absence of these increases we could be looking at an accumulative deficit of the UIC fund of $6 billion by the end of 1992 as a result of higher than expected benefit payments. I venture to say that in such instances money for retraining will be scarce and we will see another broken promise.

Today, my plea to the minister is to look at the facts, look at what is happening to our youth across Canada, look at what the policies of this government have done to the job opportunities for our young people, look at the consequences of cutting back on these programs that are so necessary to our young people. I hope, in his deliberations, the minister will take our opinions into consideration but, more that that, will take into consideration the needs of our young people across this country because without them all of our futures look bleak. It is not just a cliché to say that our future lies in our youth and that our youth will be competitive and will perform well if they are given a decent chance to get the tools that will help them to get the jobs to be productive citizens in our country.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I must say I listened very carefully to what the hon. member said this morning about a very important subject: Canadian youth and its ability to function in our society. I would like to say to the hon. member that there are at least two perspectives one can have on Canadian youth. Of course we can focus on the problems of young people who are unable to function, but I would like to say to the hon. member that there are also young people in this country who function very well.

I myself, as a member of Parliament—and I am sure other members have done so recently—have attended a number of academic events in my riding such as graduations and scholarship awards, and I am sure that once they finish their education, those students will find jobs, because in today's world, a young person's chances of finding a job increase with the number of years of academic training. I think the hon. member should realize that in Canada, we have young people who function quite well, and we should remember that and not focus exclusively on those who do not function well.

I may remind the hon. member, and I am sure he will agree, that youth unemployment has a number of deeply rooted and serious causes, which are connected with the phenomenon of dropping out of school. I think the hon. member will agree that when a young person drops out of high school, that does not help him find a job.

When looking for reasons why students drop out of school, we should not blame the federal government but society as a whole. When we have a society with social problems like poverty—I think everybody here will agree we are going through a recession—when we are in a situation like that, we see problems that are linked to poverty. There is a kind of vicious circle that makes life more difficult for our young people, but there is also the whole problem of the family unit that is under pressure. The hon. member knows as well as I do what those pressures have been like during the past decades, and the family environment is extremely important for young people, to help them persevere with their education.

So we have a problem that is linked to our education system and our training system, and we cannot put the blame exclusively on the federal government. The success of our young people depends on the success of a social partnership. Their success is linked to what the government does and what is done by all the provinces, by business, the unions and social groups. It is too easy to put all the blame on the federal government for the fact that some of our young people fail in their endeavours.

I would like to ask the hon. member—after all, it is easy for him to attack the government and say that 13 or 14 per cent of our young people are out of work—I would like to ask him whether he checked what the youth unemployment rate was in 1984, when his party, when the Liberals were in power? In case he doesn't know the answer, in 1984 youth unemployment was around 18.2 per cent.

Before accusing the government, perhaps the hon. member should look at the record of previous Liberal governments and stop to think before launching his accusations.

[*English*]

Mr. Parent: Mr. Speaker, not only is the question the hon. member poses valid, but there are two or three other points he touched on I would like to address.

First of all, we keep hearing members of the government coming back to the way things were some seven or eight years ago. How far back do we want to go? Do they want to go back to the depression years and say how terrible the Tories were? Or, do we want to go back to the time of Sir John A. Macdonald? There comes a time in the history of a party when it has to take responsibility for what is going on in the country.

They have been in power now almost seven years. I say that if their economic policies have not begun to work after seven years, then who do we look to? Do we look back 15 or 20 years ago to point the finger? My suggestions are not so much in the form of blaming someone. My suggestions are made so that hopefully they will have a look at what has gone wrong and they will be able to make some corrections.

The member asked also about the native youth. One of my colleagues is to address that during the course of the day. He will be discussing native youth employment issues.

The member also said that there were two ways of looking at it: whether the glass is half full or half empty. He prefers of course to put forth the very rosy vision that everything is going well in this country.

On Saturday I was at a graduation in my riding at Niagara College. I was speaking to the president. There were 1,600 graduates. This graduation took place over a three-day period. Of these 1,600 graduates there are 450 who have jobs. Are they telling me that their economic policies are working when only one in four of these graduates are getting jobs? These are people with hands-on experience. I suggest, Mr. Speaker, that whatever your responsibility is surely you should live up to that. Some of the responsibility is with the government; I have no quarrel with that. However, for those things which you can alleviate, which you can in some way correct, then that is what you should be doing.

That is what we are trying to help them with today with our suggestions as to how these things should be done. The hon. minister, in answering a question of mine about two weeks ago, said there is a great program underfoot for youth dropouts.

• (1130)

I wish him and I wish this program well. I am an educator by profession. I taught in the high schools. I know that the dropout problem in Ontario where I worked is very severe, but I suggest with all respect that these problems are not going to be solved by taking us back to 1983 or 1974 or wherever it is. The problems are going to be solved by facing them here and now and by putting programs in place which are going to help our young people rather than simply by us going back and forth and saying that it was done many years ago.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would first like to say that I think everyone on all sides of the House applauds the concern that the hon. member has shown for youth and youth unemployment. Certainly when you are young and trying to find a job and there are none available it is a crushing experience. Our society measures people by the work they do, so a first and positive experience is extremely necessary.

I would like to ask the member about his view on where we are going. There are two ways of looking at economics, short term and long term, and it strikes me that the member is focusing his concern on a short-term view of our economic problems. His concern is for right now, this summer, the next 90 days or 120 days, and for finding appropriate jobs for students essentially by throwing government money at the problem.

I am wondering if the member could give me some comments on how he feels about the longer term structural solutions. Many of the problems we face today because of high taxation or government restraint have been put into place to address that structural long-term concern of debt reduction.

Does the hon. member feel we should abandon the strides we have made in terms of reducing government expenditure and overhead on a short-term basis in order to solve this problem with more cash? Or, does he feel that the goals, the needs of students in the long term, would be better solved by listening to those other political voices that are saying no, the government still spends too much? The government right now is not

showing enough restraint, and we are still going $30 billion a year into debt or $60,000 a minute. Would the member comment, please?

Mr. Parent: Mr. Speaker, I thank the hon. member for his question. The hon. member himself is quite an outspoken advocate of tax cuts for the people of Canada. He did mention, if I understood him correctly, that I was interested only in the short term, the next 60 days, the next 90 days.

Nothing could be further from the truth. As a matter of fact, throughout my speech I said repeatedly that what we are looking for are solutions now which will help in the long run. When I talk about our students being able to compete, I suggest to the hon. member that they will not be able to compete if they are forever being thrust to one side. If we listen only to the market forces, if we are going to be dictated to as a nation only by the bottom line and by the almighty dollar sign, then I say to you, Mr. Speaker, and to all members in this House that we are short-changing our youth. We are not giving them a chance to get an education and we are not giving them a chance to get the tools so that they can compete in today's world.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, before I start I would like to underline the fact that I am pleased with the tone adopted by my hon. colleague in his speech on this very important subject. I do hope this tone will prevail for the rest of the day because we are dealing with a very important subject. I am particularly pleased with two of the suggestions he made in his speech, the first one being that he and I understand his party want to be helpful. Obviously I will be listening throughout today. I hope there are some suggestions that are helpful. I will certainly listen to them very carefully and analyse them even more carefully.

On the other hand, the hon. member also said you have to look at the facts. I think this is also a very important thing that has to be done because some of the facts are there and, if you want to be helpful, you have to start with the facts before you make suggestions.

[*Translation*]

So, Mr. Speaker, I would like to thank the member for Welland—St. Catharines—Thorold for tabling a motion that gives me the opportunity to recount once again the government's efforts to improve the employment situation for young Canadians. I do wonder, however, where the honourable member of the Opposition has been for the past few months, because the wording of his motion suggests to me that he has little knowledge of the scope of our efforts and the tangible results that have been achieved despite the recession we have witnessed this year. In any event, my predecessors and myself like the Minister of Employment and Immigration, those between the ages of 15 and 24 and have gone to considerable lengths to explain the various measures the government has taken to alleviate the problem.

It is important to remember, Mr. Speaker, that the main reason so many young people are currently without jobs or have few prospects for the future is that far too many young people do not complete high school. It is our belief that there are job openings, but not enough qualified people to fill them.

In light of that circumstance, we have chosen to focus our efforts on addressing the drop-out rate and eliminating the problem at the source.

In the 1991-92 fiscal year, we will spend $218 million on programs aimed at young people. Bear in mind, this total is over and above the funding under the Canadian Job Strategy, half of whose clients are young people. While this is a considerable amount, knowing how these funds are to be used is far more important than dwelling on mere numbers.

I would therefore like to describe in detail, Mr. Speaker, those of our initiatives that help young Canadians improve their chances of establishing a place for themselves in the labour market.

[*English*]

Earlier this year we allocated $143 million to Challenge '91, the summer employment program for students. Despite cutbacks in other areas, the youth program funding was not affected and the Challenge funding saw a modest increase over last year. The Challenge program has been in place for seven years. Its main objective is to encourage employers in all sectors to create rewarding jobs that provide young people with real learning opportunities. The program allows thousands of young Canadians to gain valuable work experience and contribute to the cost of their education. In addition, Challenge offers a wide range of benefits for employers including labour market information, com-

pensation, government subsidy programs and the opportunity to post their job openings.

For young people, students and non-students alike, Challenge offers several different types of assistance. Under the Challenge '91 budget, $80 million will be spent on the summer employment experience development component, or the SEED component as it is known, in the form of wage subsidies to employers who hire students. This option is made up of two elements, one aimed at high school students and the other intended for young people attending college or university. This year, as last, SEED will focus on the creation of jobs that reflect the social priorities of the federal government, namely literacy, the fight against alcoholism and drug abuse, AIDS education, environmental protection and urban crime prevention.

Again this year participating employers have been encouraged to hire members of visible minorities and aboriginal and disabled young people.

I will mention that we expect 55,000 jobs for young people will be created under the Summer Employment Experience Development option of Challenge '91.

[*Translation*]

Another component of the Challenge program, Mr. Speaker, namely the Work Orientation Workshops, is an undeniable success. The formula combines work orientation workshops with on-the-job experience. Young people learn how to take charge of their own lives and receive practical advice on academic options and other matters.

• (1140)

Last year, 16,000 young people took part in Work Orientation Workshops and, at the current rate, all indications are that we will reach or exceed that number during the summer.

Two months ago, part of the workshops were integrated under the START option of the Canadian Jobs Strategy, which I will describe briefly for you in a few minutes. While they play a vital role, our summer employment programs are only one aspect of what we are doing for young Canadians.

I realize, Mr. Speaker, that there is more to making the transition from school to the labour market than finding a rewarding summer job; we have to find more complete solutions designed with the future in mind. This is the specific objective of our second major youth program, the Stay-in-School Initiative.

As I said earlier, Mr. Speaker, all the evidence suggests that preventing students from dropping out is one of the most effective ways of helping young people realize their full potential. We created this initiative to fight an alarming dropout rate of 30 per cent, one of the highest in industrialized countries. However, we believe we can do something to rectify the situation.

Japan, for example, although very different from Canada, experienced similar problems in the 1960s. At one time, approximately 30 per cent of Japanese students were dropping out, but the government took strong action, and now only 4 per cent of young people in Japan fail to complete their high school education.

In Canada, we believe the Stay-in-School initiative will go a long way toward stemming the loss of talent that occurs when students drop out. This project has a budget of $296 million over five years and is made up of three main components: first, employment programs and services aimed at potential dropouts, then mobilization of the players involved in order to find lasting solutions, and finally awareness activities designed to inform Canadians about the consequences of dropping out.

[*English*]

One of the key phrases when we talk about the stay in school project is mobilization of the players involved because without the commitment of our partners, business people, educators, parents, unions, and young Canadians themselves, we would never attain the important goals we have set.

During the five major round tables held last year for the players involved, we encouraged all who were interested to take an active role in their communities because they, more than anyone else, know the needs of the people in those communities. Our call was certainly heeded as dozens of grassroots projects came into being. This gives us cause to hope for even greater things in the months ahead. By making a solid commitment, our partners in effect broaden the scope of our programs and take concrete actions that translate the principles we have set forward.

I would point out that one of our most outstanding achievements has been the addition of the start option as part of the stay in school initiative to our national program, the Canadian Jobs Strategy. Under the start option, eligible groups can obtain funding to carry out projects aimed at lowering the dropout rate. Ideally, start projects will enable young people to continue their education or set high career goals and at the same time

develop in the work place the skills they need to find a job.

The start option opens the door to innovation by such key players as school boards, youth services agencies and Indian bands. All are working toward the same goal: preventing students from dropping out. We cannot ignore the public awareness aspect. When I say public I am referring specifically to employers, teachers, parents, community groups and students—in short, everyone who is involved directly or indirectly with the dropout problem.

The members of this House are probably familiar with the advertising campaign that was carried out earlier this spring in connection with the stay in school initiative. Why did we launch the campaign? Because our studies opened our eyes to the very real fact that Canadians for the most part were unaware of the dropout problem and its consequences.

We know public awareness did grow as a result of the television and newspaper advertisements. We have made a number of other information efforts to complement the public awareness campaign. A newsletter on the stay in school initiative is to be distributed six times a year and, in co-operation with Health and Welfare Canada, a rock group has begun a national tour of 170 schools in 35 cities. At each stop, the band will try to use music to convince students not to use drugs and to stay in school.

[*Translation*]

Mr. Speaker, our efforts to assist young people were not forgotten when we developed the Labour Force Development Strategy. Funds under the Labour Force Development Strategy have been used to revitalize the Co-operative Education option.

The experts we consulted all agree that this option is an ideal way to introduce young people to the job market. Accordingly, we have made a commitment to increase federal funding for Co-operative Education. The increased funding will enable us to focus more on high school students, as they are the ones most likely to drop out. As with other components of the START option and the Stay-in-School Initiative, Co-operative Education is essentially a joint venture, supported as it is by local school boards. Co-op education reflects perfectly one of our main objectives: helping young people make informed career choices.

[*English*]

Mr. Speaker, I would like to talk about two other initiatives we have undertaken, namely, federal-provincial youth strategies adapted to the needs of New Brunswick and Newfoundland. More than $27 million have been allocated to these strategies. The strategies will be in effect until 1993 and are designed to eliminate the regional disparities that put young people in these two provinces at a disadvantage. We want young people in New Brunswick and Newfoundland to have as much of a chance as other young Canadians to obtain entry level jobs.

Federal and provincial departments, social service agencies and other partners have agreed to work together to better serve young people and give renewed hope to otherwise promising youth in New Brunswick and Newfoundland.

You will note that our youth initiatives are constantly evolving. The programs we have already set up are doing what they were intended to do, but needless to say, we hope to go much further.

[*Translation*]

Perhaps the member for Welland—St. Catharines-Thorold has forgotten the parts of the Throne Speech that dealt with youth issues. I will gladly refresh his memory.

In its Speech from the Throne, the government stated that economic prosperity is first and foremost a question of human resources and that it is therefore important to reach a national consensus on education and training. The Minister of Employment and Immigration has said so time and again, Mr. Speaker. No attempt will be made to encroach on the provinces' jurisdiction over education. However, it has been our experience that our system of education has not produced the desired results and that the provinces and federal government would do well to work together to achieve Canada-wide goals, Mr. Speaker.

Ensuring that, by year 2000, 90 per cent of Canadians obtain a high school diploma or the equivalent before the age of 25 would probably be a realistic goal. We further propose that measures be taken to double the number of post-secondary graduates in mathematics, science and engineering. Our ultimate goal is to have everyone consider the need to make a learning culture part of our way of thinking, Mr. Speaker. Of course, we believe that it is truly possible to raise the calibre and relevance of education in Canada, but once again,

government has no intention of forcing its partners' hands.

To determine the course we should take, we are relying heavily on the Labour Force Development Board, which just met for the first time. As you will remember, Mr. Speaker, the Board is an independent body administered entirely by the private sector, an organization rooted in the industrial, social and economic life of the country.

• (1150)

[*English*]

The board is guided by a firm desire to establish a training culture. It represents unprecedented co-operation between Employment and Immigration and labour market players, that is employers, workers, educators and social agencies. Because it is now more in tune than ever with social and economic realities, the government is confident of its ability to ensure, through its future action, that more Canadians will have the opportunity to contribute to and reap the full benefit of national prosperity.

As you can see, the options of the Challenge program and the stay in school initiative follow the same basic principles: give young people the skills they need to become productive members of the Canadian labour force. In so doing, we will restore Canada's productivity and competitiveness, two factors that are inextricably linked in this area of constant technological change, where competition means that only the strongest will survive.

We are listening to young people and those who are dedicated to helping them. Yes, we have taken strong and timely action. The government is working to give young Canadians the opportunity to flourish both personally and professionally.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I appreciate the comments of the minister and the comments made by the member moving this particular motion.

I have a question I would like to put to the minister and it relates basically to the comments that he made concerning the relationship between employment, education and training, something that I think is very important. The minister reminded us that it was mentioned in the throne speech and I gather it has been mentioned in a number of throne speeches under this government and the previous government. He also touched on the work that the federal government must do to work with the provinces to ensure that there are opportunities across the country for education and training.

It is an issue I have been pursuing in the House. I hope to have an opportunity to introduce a private member's bill tomorrow in regard to the transfer of funds through cash payments and tax points to the provinces in health areas and in post-secondary education.

The previous Secretary of State could not assure me or the House, in this very important field for training and education of young people, that in fact those funds were spent in that particular area.

Under the current legislation passed by the previous Liberal government, we evolved into this block funding formula. Many people allege in my province of B.C. that the Social Credit government paves highways with health and education money.

I would like to ask the minister if it is the government's view that this block funding approach should continue and, if so, can he assure the House that the funds allocated to the provinces, in particular on post-secondary education, a very important matter, are in fact spent on post-secondary education?

Mr. Cadieux: Mr. Speaker, I want to address the comments and, obviously, the question of my hon. colleague of the NDP. He indicated that he would be tabling a private member's bill sometime tomorrow or during the week. I am looking forward to the input of the hon. member and I will be reading it attentively and eventually react to it, I suppose, like all other members of this House, at the appropriate time. I appreciate the hon. member's question and the angle he is taking with respect to the question, i.e., money transferred from the federal government to the provinces and what the provinces may or may not do with it. I understand the nuance.

I want to bring the hon. member to another way of looking at the situation and that is the education situation in general. We have a basic and fundamental problem with respect to education in this country, when at the high school level there is a 30 per cent drop-out rate. That represents about 100,000 high school students per year who drop out of school.

My hon. friend is sort of aiming at the post-secondary level, which is very important, there is no question about that, but before these students can get to the post-secondary level, they also have to go through high school. When there is a 30 per cent dropout situation in Canada right now, there is a fundamental problem, which is not just the federal government's problem, but it is a Canadian problem and deals with as much the provincial and/or other governments in Canada, that have their own responsibilities with respect to education.

As we have indicated many times before, we do not intend to infringe on provincial jurisdictions with respect to education. That being said, we have a problem with education. All governments and all interested parties have to get together and find a way to resolve this very crucial and important situation with respect to high school student dropouts. That is exactly what we are trying to do on the one hand with our stay in school initiative and also by opening the door to some very important discussions with the other responsible jurisdictions with respect to education in Canada so that we can find a solution and get to the root of the problem. It seems to be at the high school level where there is a 30 per cent dropout rate. Consequently, when those students do not drop out of school they will be in post-secondary education.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I would like to thank the minister who seems genuinely concerned with this issue that concerns us as well.

The minister said, in his remarks as well as in the Speech from the Throne, that economic prosperity is first and foremost an issue of people. I would like to ask the minister how his program, which includes a rather innovative strategy and which certainly provides important funds, since he referred to an amount of $296 million, how this policy will be implemented or adapted to the education policies in Quebec? I would also like to ask the minister if he could elaborate on the criteria that will be used for the allocation of those funds?

Mr. Cadieux: Mr. Speaker, I certainly appreciate the question asked by my honourable colleague. The problem to which she alludes is one which undoubtedly affects all the members of this House, and not only myself or the members that have spoken until now.

We are faced with a fundamental problem. In the Speech from the Throne, we referred, of course, to human resources and I think that my honourable colleague from the opposition has also emphasized, earlier, the fact that the lack of competitiveness, among other factors, is of course directly linked to the human resources available here in Canada. Mr. Speaker, I am happy to say that the 26 million Canadians that make up our relatively small population, compared to that of our neighbor, are, by and large, very resourceful. Given the proper tools, Canadians will continue to be competitive and to be able to compete with any country in the world. Indeed, we have the resources, as well as the resourcefulness that I just mentioned.

However, we must make sure that this resourcefulness of our human resources, notably our young people in school, is being promoted and supported. Mr. Speaker, when we are faced with a 30 per cent drop out rate, which amounts to 100 000 students dropping out in Canada, there is a fundamental problem which is not only a federal problem: It is a Canadian problem that all jurisdictions and interested parties must look at in order to find a solution at the first level, that is at the high school level.

• (1200)

So, Mr. Speaker, while all recognize education to be a fundamentally provincial responsibility, and while it is out of the question, for the federal government, to get involved in this field, we simply cannot ignore the problem.

So, our program is aimed at helping those young people stay in school, at analysing their situation, supporting them, and providing the tools that they need to stay in school, because dropping out is not the solution. It may be a popular solution in the short term and in the eyes of other dropouts, Mr. Speaker, but once again experience has thought us that dropping out is not a long term solution. People who drop out not only find it increasingly difficult, as the years go by, to find work: It also becomes harder for them to keep a job because technology improves and the world evolves, which makes it all the more difficult for the dropout to catch up.

So, Mr. Speaker, the solution is in dealing with the problem at its roots and avoiding having students drop out of school.

[*English*]

Mr. Dingwall: Mr. Speaker, I rise on a point of order. I do not wish to take away from the time of my colleague to the extreme left who will be speaking on debate. I just want to draw to the attention of the Chair that, under the provisions of Standing Order 43(2), for the remaining speakers from our party and for the remainder of the day we wish to divide our time equally.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, once more we are hearing the rhetoric about the importance of education, about the technological society and about creating a knowledge based economy in Canada. We are hearing all of the good words. What this debate is all about in the final analysis on the government side is words, words, words without substance.

It was back in February that the previous Minister of State for Youth had to suffer through the embarrassment of convening a press conference to announce the increase in funding in the Challenge program, particularly the SEED program, that this minister referred to in Question Period last week when he asserted: "No, there has been no decrease in student funding. There has indeed been an increase in student funding".

I suppose it is a question of interpretation. Let us first of all look back upon the last round of announcements with respect to the Challenge program. What we will find is that the SEED program was cut from $118 million to $77 million. This huge increase, bragged about by the hon. minister back in February in his former guise and now in the minister's present guise, amounted to $3 million.

The amount for the SEED program was increased from $77 million to $80 million, roughly a 4 per cent increase, a considerable degree smaller than the increase in the cost of living. It is a typical kind of performance by the government to claim that there have been funding increases when in fact in terms of real dollars there have been no funding increases.

If we look back just a little further, we will find that when this government came into office it decreased from the very outset the amount of money available to students.

However, what is so shameful about the February announcement is that even back in February it was possible to predict exactly what has occurred now, and that is that the unemployment rate among those defined as youth has hit the level of almost 16 per cent. We have had steadily increasing rates of unemployment in the over-all population exceeding 10 per cent since before February, and anybody who has made any attempt to relate the pattern of unemployment among youth with over-all unemployment will have discovered that by the time this is over the rate of unemployment among youth will double that of the adult rate.

This government had plenty of warning, lots of warning, that there was going to be the kind of situation that has been produced now, a situation in which the reality is that a lot of students are simply not going to get jobs. If all the students were former ministers of state for finance and trade, perhaps they could get jobs in the summer. Patronage might apply to them or something of the sort might provide them jobs. In other words, what we have is a situation on the other side where there has been a consistent disregard for the real situation among young people.

You may recall, Mr. Speaker, that in previous debates on the Challenge program we expressed some considerable concern about the change in proportions of Challenge to the SEED program that was being used to fund jobs in industry and in the business area, the profit area, as compared to the non-profit area. I am saying that now it is to cite the fact that federal funding can create a lot more jobs, even in a recession, if it addresses the needs that have been created by this government in its recession among non-profit organizations which are trying to serve the communities affected by the recession, the unemployment and the hopelessness that have been created by this government.

We heard the hon. Minister of State for Youth talking about how terrible it was that 30 per cent of kids drop out of school in Canada. And it is a terrible thing. However, I do not know how he can stand there and say it is a terrible thing and yet create a situation where the dropout rate is going to increase because of kids not being able to fund their way back into school next fall. He did not say anything about the dropout rate that is

going to be caused among the colleges and universities, among students who will not be able to get jobs this summer. He did not say anything about the cutbacks in transfer payments to the post-secondary domain which have increased the pressure on tuition rates right across the country. Nor did he say anything about the GST that makes books more expensive. Nor did he say anything about the surcharge on student loans.

He did not say anything that was helpful to students. He did not say anything that was consistent with this rhetoric that this government has adopted about education. He did not say anything that would help students, as I think by now students can be confident will never be forthcoming. This government will not take on its responsibility.

The motion before us is a good one that my party will most certainly support. It says:

> That this House call upon the government to implement immediate measures to alleviate the devastatingly high rate of unemployment among Canadian youth.

Something should have been done a long time ago.

An hon. member: Oh, oh.

Mr. McCurdy: Mr. Speaker, I just heard this gentleman here who purports to be the Minister of State for Finance. I am sure he is going to drag every bug and fly into his empty skull if he opens his mouth too much, particularly when he insists in this House in broadcasting flat out lies. I think his problem is that he hates to hear the truth. This, after all, was the arrogant minister who stood in this House and said that any students can get jobs when they want to.

• (1210)

I want to tell this minister on behalf of the students for whom he claims to speak that he speaks not a word for them any more than the rest of his government speaks for them. The issue is the sanctimonious behaviour of this government, which insists on going along its way in complete disregard to the needs of real people.

This country is being torn apart by the insensitivity of this government. Its future is being threatened by the insensitivity of this government. Its youth is being sacrificed as a result of the insensitivity of this government, and from the Minister of State for Finance the youth is being insulted by the insensitivity of this government.

The claim that is laid here before this House with respect to this motion is a relatively simple one: "Go back and re-examine", it says to the government, "what it is doing faced with a crisis of youth unemployment". It says that this government should attempt to do what it can to make it possible for young people to get jobs this summer.

The situation can be dramatized in terms of statistics. Among the larger employers of students we have IBM which hired 875 students last summer. It will only hire 760 this year. Bell Canada, which hired 1,195 students last year, will hire only 500 this year.

The fact is that now we have a situation in which not only has government cut its funding for the creation of youth employment. We have an ever increasing pressure on the jobs that have been in the past available to students by the great mass of adults trying to seek jobs.

For example, in the city of Windsor where quite a number of student jobs are created by the municipal government, they have had to concede that some jobs formerly designated for students must now go in a certain proportion to the adult unemployed.

In Windsor—I guess I would have to choose to cite Windsor as a typical example of a city that has benefited from this government's policies—no retail store jobs are going to be available this summer because one-third of them have already closed. We have none of those usual jobs being produced in the tourism area in Windsor that would normally be produced to allow students to get jobs in the summer.

Our position is very simple. At the very least, this government should return to a level of funding for the

Challenge program equivalent to what it was the year before last, before it savaged it in 1989. It should provide $140 million for the SEED program and commensurately increase the over-all funding for the Challenge program so that those kids who are just leaving high school will also have an opportunity to get jobs.

There has been, within the context of this debate about youth unemployment, some debate about the question of education. The Minister of State for Youth chose in this debate about jobs for youth, for students, to talk about this government's promises in the throne speech to achieve certain goals: the elimination of illiteracy, an increase in the number of graduates in science and engineering, to double the number of workers who have access to training and so on. Then arose, as always has arisen, the debate about jurisdictional problems. This is not a debate about education, as such. It is a debate about how kids have to have money in their pocket to continue their education.

I think it is important to say a few words in the context of this over-all debate, which seen from a certain perspective is: How do you encourage kids to continue in school? Apart from the question of how much financing is available, we have the question of the character of what is going to be accessible to them in terms of training and education. I will simply say what I have said before, there is no jurisdictional problem for the proper exercise of leadership within the context of a full recognition that those jurisdictional problems do exist.

Jurisdiction has been used before as an excuse for doing nothing. My fear is that it will continue to be used as an excuse for doing nothing, to the further detriment of that economic future that all claim Canada must pursue.

I just want to say some final words about the question of student aid. As I indicated earlier, rather than finding creative ways to increase the funding assistance available to students, the government instead imposed a 3 per cent surcharge on student loans, when what is really needed are general improvements in the program.

On the weekend I was talking to representatives of part-time students who have been petitioning this government and the government before it repeatedly, so that part-time students will have the benefit of the same kind of financial aid that is available to full-time students. This is an important consideration because one of the circumstances is what this government has done to student employment opportunities. There are going to be increasing numbers of part-time students. Those students should have access to same quality of education with the same kind of support available to them as do the full-time students.

I ask this government to do one other thing in addition to increasing funding in the Challenge program and that is to get busy on the issue of student aid.

We have had committees and we have had promises and we have had nothing done. It is about time something was done in the area of the student loan program to ensure that there will be access for part-time students on the same basis as other students.

As long as we have the situation we have at hand where students cannot get summer jobs, we are going to have a real problem in encouraging people in the part-time sphere and they too, of course, will need jobs that in the present circumstances of a recession may not be available to them.

Therefore, in closing, I must confess some fatigue in repeating a debate that has been repeated so often in this House within the context of complete disregard of a problem that has so characterized this government. There is a need, a real need among students to be able to find jobs, not handouts, in order to continue their education.

The unemployment rate has become worse. It is practically as bad now as it was during the peak of the last recession, 16 per cent versus 17 per cent. This government needs to take initiatives to make more funding available so those students can work. It needs to re-examine its actions that have increased the costs for education. It has to look at what it has done to the university system and the college system and so on, that has made post-secondary education less accessible and less valuable than it was in the past.

Let us then put some substance into their expression of concern that we need to do so much to create a knowledge based society. Let us give real access to that knowledge to the students. Let us give them jobs. Let us give them institutions where they can learn. Let us take the necessary initiatives in education where this government and other governments have refused to undertake. Let us really commit ourselves to creating the knowledge based society that will provide a standard of living in Canada that Canada must have and which will support the social programs that some must have.

[*Translation*]

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, youth has been the main topic this morning. We are all aware that young people are experiencing some very serious problems in our society. I say society, because this is a responsibility that must be shouldered by society as a whole, by all three levels of government, the private sector and the unions, and because we have a society in which values have changed. Families are becoming increasingly divided. As a result, our young people are demotivated, but nevertheless, the government has launched some very attractive programs for these young people. We also understand why members opposite want us to focus on better programs for high school graduates.

• (1220)

Mr. Speaker, I would like to ask the hon. member for Windsor—St. Clair whether he could explain why the NDP government in Ontario decided to drop the Ontario Scholars Program, since these scholarships for Grade 13 students who maintain an average of 80 per cent cost only $2 million.

I would appreciate the hon. member's comments, considering the provincial governments' responsibility in this area.

[*English*]

Mr. McCurdy: Mr. Speaker, I do not like it. That is the simple answer. I would try to understand it and would hope that if the money were to be diverted to some educational program, it would benefit perhaps low income students who achieved a reasonable academic level, I would like it. But on the basis of what I know about it I do not like it.

My concern about education is not because I am a New Democrat and it is not because I am not a Progressive Conservative. It is because I feel strongly that education and knowledge is fundamental to our future economy, it is fundamental to opportunity and it is fundamental to a reasonable level of education.

I would ask the hon. member, who stood up in her preamble to her question to me citing these wonderful programs that the government has initiated to tell me one. Perhaps she means the work experience program which the government adopted from a New Democratic document. That is one that I can think of.

I do not know of any initiatives in education that can be expressed as particularly—oh, perhaps she is talking about the scholarships for science students, except that they do not just go to science students, but that was a good initiative. I say so and I say so clearly. It is not enough. There should be no higher priority in this country than the education and training of our people and the elimination of illiteracy. Therein lies the basis for the economic survival of our country.

So I will be consistent about that. I see no partisan issue involved in that. I wish that we could depart from our party labels and look at this in the context of common sense. In fact, in terms of the debate that we are engaged in now, the only issue of common sense is the question of how we are going to put those kids who are not working this summer back to work and what the government should do within that context.

I say the government should put the money back into the Challenge program that it took out of the Challenge program.

[*Translation*]

Mr. Allan Koury (Hochelaga—Maisonneuve): Mr. Speaker, I listened very carefully to what the hon. member for Windsor—St. Clair was saying, but what does it all boil down to? Is he saying all this just for the sake of making a long speech, to fight a battle that does not make sense, since he knows perfectly well this government provides GST tax credits to help all these families? Nearly 9 million people receive GST credits. This money can be used to pay for books and haircuts and for just about everything, and they receive quite a bit.

Would the hon. member, without necessarily giving a thirty-minute speech, comment on this?

Mr. McCurdy: Mr. Speaker, it is very hard to describe a single thing this government has done to help Canadians and especially needy Canadians. This government has divided our country, created a recession, and put the city of Windsor in a very critical position.

It is irresponsible of the hon. member to rise in the House and say that the government is acting to help the Canadian people. It is unacceptable because it is not true.

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, as usual, the hon. member for Windsor—St. Clair is more concerned about his performance in the House than about substance.

Earlier, he said that the minister's speech was all words and no substance. I beg to disagree. The minister's speech was most interesting, because he identified all the programs the government has introduced, with the various types of funding to help our young people achieve their potential.

So before talking off the top of his head, perhaps the hon. member should listen to what the government says and consider the commitments it has made. We are aware of our responsibility to Canadian youth and act accordingly.

My question to the hon. member is this: He knows perfectly well that the Speech from the Throne emphasized—he said so himself that illiteracy was a major problem in this country—so does he admit that in the Speech from the Throne, the government made fighting illiteracy a priority? Our objective is to make sure that at least 90 per cent of our young people are able to get a high school diploma. We want 90 per cent of our young students to graduate from high school. Does he agree with those objectives?

[*English*]

Mr. McCurdy: Mr. Speaker, the member says I am concerned about my performance in the House while giving speeches which, I must assume, is a message that the performance has been good. A good performance convinces nobody. Let me respond to the question.

The answer is that his government has not stated any goals at all. The government has not stated any goals at all. If the government had a goal of eliminating illiteracy, if the government had a goal of doubling the number of science graduates, if the government had a goal of increasing the number of workers who achieve a level of training by twice, I would be solidly in favour of those goals. But this government does not have goals. Remember the goal of the Prime Minister that this government should achieve a rate of expenditure on science and technology of 2.5 per cent of the Gross Domestic Product. That was not stated as a goal and therefore it was not achieved.

When this government states goals rather than promises, and therefore understands that a goal must have a mechanism, a strategy for its achievement, then I will be very enthusiastic. But this is strictly sheer trickery just as was the Prime Minister's promise with respect to R and D. This is trickery with respect to education.

If those were goals I would accept them, but those are not goals, those are empty promises like jobs, jobs, jobs.

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, today we are debating a very important issue to this nation, youth unemployment. It is important, may I add, for many reasons, however, because this summer our young people are faced with an increasing unemployment rate among youth that stands at a devastating 16.6 per cent.

This is a very important debate because we have young people in this nation today who are demoralized and frustrated with their present situation.

• (1230)

What is equally important is that we begin to analyse the response presented to these young people by this government. The government response was basically that in its SEED program in 1985 it contributed $149 million, while in 1991, $80 million.

This comes at a time when this government has decided to take on a challenge, to speak to the issue of global competitiveness and speak to the creation of a so-called learning society. However, I wonder at times whether this government really understands the meaning of global competition because it seems to me that its answer to creating a globally competitive society is to tell young people to stay at home. Obviously the reality is otherwise.

I think the word competitiveness has entered the vocabulary of this government. Perhaps some media guru is telling the government it is a vogue word, a word used in Europe many years ago and a word acted on many years ago.

I think there is a fundamental problem with this government in understanding how a globally competitive society is achieved. It is not achieved by cutting resources like training and education in the field of human resources, nor by cutting research and development, science and technology. Obviously it has not been able to develop a global competitive society in this area and in many other areas including that of taxation.

The government has responded with cuts and by alienating a very important group of individuals in this society, namely our youth, who are already faced with higher tuition fees, an increasing debt load, spiralling education costs, and now no jobs this summer. What is important is to have not just a job, but a job that at least can cover the costs of tuition fees. It is not enough to have just a job that the government side can use as a statistic. A young Canadian must have a job that covers food, rent, and transportation to make it possible to have an opportunity for post-secondary education.

The question many young people have been asking themselves is: Does this government really care about young people? I think what really describes the type of interest shown by this government toward young people is in the statement made by the junior finance minister last Tuesday in response to the question from my leader on a call for action on youth unemployment. He stated that if young people would look hard enough they would find jobs. The minister is telling the close to 20 per cent of young people in Newfoundland that they cannot find work because they are not looking hard enough.

He is telling the 16.3 per cent in Prince Edward Island that they cannot find work because they are not looking hard enough. I am telling you that those young people are looking for work and they simply cannot find it because it is not there.

It is not there for two reasons. It is not there because this government's economic mismanagement has not created jobs in the private sector, nor has this government aided students during this summer of discontent. As a matter of fact, it continues to cut and block the major artery to Canada's future, our young people.

This is unbelievable, but I can tell you it is not surprising because this government has a track record on alienating Canada's youth. It has continued a direct attack on students. Look at the statistics on transfer payments to the provinces. In 1986 the government passed Bill C-96 which reduced the growth rate of transfer payments to the provinces by 2 per cent. The portion of financing for post-secondary education that was to be cut amounted to $1.6 billion. This is the type of help that this government has been giving students in Canada. There was a further cut of 1 per cent in 1990-1991.

This comes at a time when there exists a new global reality. The relative economic strength of a nation is often measured by the way the young people are trained and educated. We live in a fast moving world where there are many challenges. There are technological advancements. There is more information every day, every minute, from fax machines. It becomes important to train these people if we want to be able to compete. It is about time that this government realizes that it is not going to happen by chance. You must plan and you must plan correctly. You do not plan the future of a nation by continuous cuts to the very fabric that represents its future.

I am sure the minister will hide behind the WALL program and the stay in school program, but let it be known for the record that these might be new programs but certainly no new funding was allocated to these programs. It has taken away from post-secondary students, given to high school students, and pitted two needy groups of our society against each other. This is the type of politics we see day in and day out from the government opposite.

Canadians, our young people, are tired of being misled and tired of the type of approach this government has taken. I join the Liberal Party of Canada in bringing forth the points I have mentioned and those points so eloquently stated by the hon. member for Welland—St. Catharines—Thorold. We want to make sure that this government will find within itself the intelligence, the caring and compassion necessary to bring about the type of employment situation for young Canadians so that once again they can be proud citizens of this nation and take on and get ready for the challenges of the 21st century.

• (1240)

[*Translation*]

Mrs. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the hon. member is demanding that the federal government deal with the high rate of unemployment amongst Canadian youth. I would like to mention to him five programs within the Canadian Jobs Strategy which are designed to

help young people find a first job or keep the one they have.

There is the Job Development Program, where $107.2 million go to young people. The Job Entry Program which gives $139.3 million to young people only. The Skill Shortages Program, $97.6 million. The Skills Investment Program, $8.4 million. The Community Futures Program, $6.7 million also for young people.

I would like to know, Mr. Speaker, whether the hon. member is willing to recognize these figures or whether he will tell us that these programs are not meant for young people, when the fact is that 46.4 per cent of the 400,000 participants to the Canadian Jobs Strategy are young people. Consequently, $487 million out of a budget of $1.7 billion are used for training young people and helping them find a job. I ask the hon. member to comment on our programs.

[*English*]

Mr. Bevilacqua: Mr. Speaker, I appreciate the question posed by the hon. member. However, today we are speaking to a reality that perhaps can be best described in and by the title of Lila Sarick's article, I believe it was in *The Globe and Mail* of June 4, *Thirsting for Employment in the Summer Job Drought*:

> The search is on for career related work, but students are finding their prospects bleak as many companies have cut the numbers they hire.

Obviously, we are also aware of the cuts made by this government.

There is myth and then there is reality. Obviously, the programs that the government has introduced are not working, simply because we have a high unemployment rate among youth. It is a fact that you and I cannot dispute. I do not think that 16.6 per cent at a time when this government wants to compete globally is fair. Nor do I think it is something that this particular government would wish on young people.

Unfortunately, as a direct result of this government's policies, we are faced with a youth unemployment crisis. It is for this reason that this party has allocated today to address the issue. I hope the words and proposals made on this side of the House are answered by the government and acted upon simply because this is no humourous situation. It is very serious when a government in a Speech from the Throne speaks to global competitiveness, speaks to a learning society, but does exactly the opposite when it comes to financial commitment.

The reality is that if the government does not commit funds and does not give what is required to carry out the proposals that we have heard in the Speech from the Throne, it is not going to happen.

I am speaking to this government to kindly urge its leadership to act on the words that are cited in the Speech from the Throne and not use them as mere references. There is a generation of Canadians waiting for this government's actions, a generation that is going to spell out whether or not Canada will succeed globally.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to participate in this debate.

In doing so, I wish to congratulate my colleague from Welland—St. Catharines and, of course, the hon. member for York North for initiating this particular debate on subject matter which is of great importance to young Canadians and also to many families across this country.

I enter this debate and wish to espouse the views of my constituents who are students at the University College of Cape Breton, and who may be students at Riverview High School, Glace Bay High School, Breton Education Centre in the town of New Waterford, MacDonald High School in the town of Dominion, Reserve District High in Reserve Mines, Duncan High School in Duncan and St. Peter's in Richmond County.

I have listened quite attentively to the remarks made by my colleagues on this side of the House, and equally so to the comments which have been made by members opposite. It should be noted that student unemployment in my province is roughly 16 per cent and growing. I suggest to the Chair that in my area of the province it has perhaps doubled 16 per cent.

We have had a proliferation of closings, shutdowns, and the erosion of national institutions. As a result, numerous jobs have gone by the wayside leaving families, some young, some middle-aged, some not so young, in a

very difficult economic situation. That has exacerbated the situation for young Canadians in my constituency.

Just on the weekend, Friday afternoon when the House was closed, I was in my riding and met with numerous young persons regarding the lack of summer employment opportunities.

On Saturday, I went to local shopping malls in a couple of communities and, of course, I was bombarded by individuals. They were asking, on behalf of their sons and daughters, if there were any particular programs with additional funding from the Government of Canada to assist young people obtain summer employment. In many instances, this summer employment is needed to help pursue post-secondary studies and/or some form of training in the fall.

The reality is that the opportunities are non-existent. There are some communities across this country where opportunities do exist, but I suggest that in the slower economic growth areas, those opportunities for young people just do not exist.

Many of them, much perhaps to the chagrin of the Minister of State for Finance, are working very hard and diligently to try to obtain some form of employment. Whether it be six weeks on a grant or ten weeks filling in for someone, they are all attempting to obtain some form of employment in order to generate sufficient funds to pursue their education.

It does not stop there. I want to cite an example of what has happened in parts of my riding. A young lady who graduated from high school with superb marks went on to university and was successful in obtaining several scholarships. Her father and mother were not members of the bar or in the medical profession, but were average middle-class Canadians.

The policy of this administration, however, is that it taxes the scholarship.

• (1250)

For those who may be viewing this morning and this afternoon's debate, taxing the scholarship may not mean much in the whole scheme of things. However, when one has a relatively fixed income and, over and above that, has worked hard to attain a certain academic standard, it is difficult to proceed onward when you find out at the end of the day that you are going to be taxed because you worked hard. Yes, you are a student, you have done academically well, but the government is still going to tax you. This seems not to be very progressive thinking on the part of the nation's legislators.

Again, this is another example of the administration's activity with regard to youth and youth opportunities.

It has been mentioned many times in this House that there are many barriers in this country from province to province. In many provinces if one were to pursue a post-secondary education outside one's province, one could not qualify for a bursary.

Members may say: "Well, why does that student not stay in his or her own province and obtain the same type of degree that can be offered in other parts of the country?" The fact of the matter is that in many instances part of the educational process would be to go to McGill or Laval to acquire knowledge not only for academic purposes but also for the cultural and socio-economic status of that particular region. The hon. member makes a very disparaging remark on what I believe to be a very important subject matter. The hon. member will have her opportunity to express her view and I hope she will have the courtesy to give me my opportunity to express my view.

The fact of the matter is is that there are thousands and thousands of young Canadians who wish to go outside their province to pursue post-secondary education only to find that they are limited by the amount of money their province will provide in bursaries.

Those two factors, coupled with the fact that young people have no job opportunities, make their situation even more bleak. I called upon, and I call upon again, the minister responsible to provide the necessary funding to assist, in difficult times, those students seeking meaningful employment who wish to pursue post-secondary education as well as training and other forms of improving upon their job-related skills.

It is particularly difficult when talking to students graduating from Riverview High School, Glace Bay High School or Breton Education Centre to say: "Yes, continue on" when they cannot even get a summer job for 10 or 12 weeks. Surely to God there is an obligation on the part of the government of this country, in the kind of political situation we are in at the present time, to put its shoulder to the wheel and come up with creative and

innovative programs to assist young people, not next summer or the summer after but this summer.

There are young people who live in small communities of 300 or 400 people, such as South Bar or on a reserve which is a little bit bigger. Surely there is an obligation upon legislators of the national Parliament to set an example and to provide some semblance of hope to these young people.

Mr. Speaker, you are indicating that I have one or two moments left. Let me say, through you, to the members opposite, it is not tough medicine to say to young people: "Do it on your own", when in point of fact, there are no opportunities out there in the public sector or the private sector.

Surely the tough medicine for a government to bear at this difficult economic and political time in our country is to say: "Hey, let us bite the bullet here. Let us provide some hope. Let us provide the necessary funding. Let us assist young people across this country. Let us mobilize that talent, that spirit." I suggest to hon. members opposite that this will add greatly to the *esprit de corps* that we need in this country. More important, it will provide young people with a sense of hope, dignity and fairness to know that the Government of Canada, their national legislators do, in fact, care about them.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I just have a brief question to my colleague.

As he knows, the funding was increased, albeit a small amount. I do not think any of us are happy. We would all like to have more funding in our ridings to assure young people of more jobs. Under the economic circumstances, an increase of some $3 million was all that was able to be funded.

He is suggesting additional funding. Could he tell us what he is suggesting as an amount of increase in the budget this year? Where might he suggest it be taken from?

Mr. Dingwall: Mr. Speaker, the hon. minister has asked a specific question in terms of the amount. He has asked a specific question in terms of where the money might come from.

I suggest that the minister might wish to be creative in terms of the levers he has at his disposal and to initiate the assistance of provincial governments. Perhaps, one avenue is to provide the incentive for provincial governments also to share. I do not believe it is the sole responsibility of the national government. But if provincial governments had some incentive to ignite additional funding, such as in the example set by the federal government, much of what I am referring to, particularly at this time, could be forthcoming. It may be a 50 per cent increase and 50 per cent by the provinces.

The hon. member has heard comments from our critic responsible for youth in terms of restoring the levels of the past. The hon. minister must keep in mind that the conditions are quite different from what they were in 1986, 1987 and 1988, when the economy was much stronger. I am sure the minister would understand it would only be prudent and wise that when the economy is down, additional funding be made available for students for that particular year.

In terms of where the money can come from, the minister is probably much better aware than most members on this side of the floor as to where measures can be restrained in terms of their expenditure. I think, of course, of financing which goes out to the tune of billions of dollars on an annual basis to the private sector for grants and various subsidies. I am not suggesting that we cut them off completely.

Mr. McDermid: Whose riding gets the bulk of it?

Mr. Dingwall: The minister has made a point. Let me finish. I would like to debate that with the minister. The fact of the matter is that there are funds within the system, the present system, that the minister could re-allocate to this particular program in order to assist students.

The minister made a disparaging remark when he alluded to which riding gets all of those subsidies now under the present programs. There is no question that some of those subsidies for private sectors have accrued in my particular constituency. I do not doubt that and I do not dispute that.

An hon. member: Why should you?

Mr. Dingwall: But the hon. minister cannot sit there like a Cheshire cat and say to members on this side of the House: "No, no subsidies have come to my riding." That would be a denial of history. It would be a denial of Sir John A. Macdonald's policy as it relates to the protection

given to the province of Ontario at the expense of other regions of this country. Do not get, shall we say, perplexed when members on this side of the floor say: Hey, we have exceptionally high unemployment in our regions. We are asking the Government of Canada to show leadership.

• (1300)

We are asking it to invite the participation of the provincial governments and the municipalities, as well as the private sector, and to initiate new programs which will assist young people this year. It is fundamental to providing some sense of hope, decency and dignity for the young people of this country, and I would hope the minister would support that.

[*Translation*]

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, I have the privilege today to respond to the motion moved by the hon. member concerning the action taken by our government in order to reduce the unemployment rate among young Canadians. I totally agree with my hon. colleague that we need to do everything in our power to help young Canadians find a job. And I would like to specifically address the situation of our youth in the Montreal area.

Since its first election in 1984, our government has worked hard to encourage young Canadians to pursue their studies, to realize their full academic potential and, once they graduated, to find a motivating job that would represent their contribution to Canadian productivity.

Of course, the hon. member knows, as we all know, that the present economic situation is difficult, not only in Canada, but in all industrialized countries. Despite that, our youth show initiative and, far from getting discouraged, they show entrepreneurship, which will certainly have the effect of raising the standard of living of Canadians during the present decade and even during the twenty-first century.

Our government does all it can to support their efforts. Indeed, it is the seventh summer that we put in place the Challenge Program, which is under the jurisdiction of the Minister of State for Youth and whose aim is to encourage employers to create interesting summer jobs for young people. The future of young Canadians is at the forefront of government priorities. I believe we have proved it when we announced this year that $143 million would go into the Challenge Program 91. That is $3 million more than in last year's budget.

Also, of these $143 million, $28.3 million will go to Challenge 91 for Quebec. Let me explain to the hon. member the components of that program. One of the components of the Challenge Program is called Summer Employment Experience Development (SEED). It assists employers by giving them salary subsidies that will allow them to create jobs for secondary school, college and university students, but especially for secondary school students who have more difficulty than others to find a job.

The hon. member will be happy to learn that in the Montreal area, last summer, our government spent more than $4 million under this component and, more precisely, that 2,655 students participated in 1,146 projects over-all, which allowed them to receive a valuable training while earning money to continue their education.

I am pleased to tell the hon. member that this year again, the SEED component will encourage the creation of job opportunities conforming to government social priorities in the areas of literacy, drug and alcohol abuse, information on AIDS, environment, and urban crime.

Moreover, the funding of SEED this year is aimed at encouraging employers to hire visible minorities, natives and young handicapped.

In Quebec, the funds allocated to this program will be increased this summer from $17.8 million to $18.1 million. My hon. friend will certainly understand that summer has just started and that we do not quite know yet how many students from Montreal schools will participate in this program. There is ground to believe that this component of Challenge 91 will have as much success as in previous summers.

The Challenge program includes also a component called Work Orientation Workshops that gives high school dropouts an opportunity to reconsider their decision to not complete their education. These workshops are accompanied by an on-the-job experience aimed at encouraging dropout students to go back to school or, if they do not want to, to receive a practical training. More precisely, these workshops teach life dynamics, personal financial management, the operation of companies, and so on. These workshops help young people to understand what training and studies they will need to get in the labour market, where jobs require more and more skills and are more specialized.

I am pleased to be able to tell my honourable colleague, that as of the summer of 1990, the government had given the Montreal area more than $2 million through the Work Orientation Workshops, and 1,000 area students took part in them. For instance, on the South Shore only, $920,000 were spent on 467 participants.

This summer, the Quebec component of the Work Orientation Workshops will receive a total of $8.1 million, over and above a supplementary $2.1 million for year-round projects.

On May 9th, the Minister of State for Youth officially opened for the summer the 94 Canada Employment Centres for Students that are to be found in Quebec. Four of these centres are in the Montreal area. I can assure my honourable colleague that employees in these centres know full well how hard it is for young people in Montreal to find a job and that they use all their skills to help them.

As I was saying a while ago, everyone here knows that the whole world is going through very difficult economic times. Nevertheless, I am sure that the members of this House will recognize that the situation would be far worse for young Canadians were it not for the efficient assistance programs brought forth by this government. I am not only talking about the conponents of Challenge '91 I have just mentioned, but also about a few others such as the Student Business Loans Program which is administered by the Federal Business Development Bank and assits student entrepreneurs who wish to create their own summer jobs.

Last year in Quebec, 276 loans were approved for a total of $688,700 which led to the creation of 918 summer jobs. This is a sizeable increase of 72 per cent compared with the number of jobs created the previous year. And this year, this component has an over-all operating budget of $900,000. Moreover, we will grant $805,000 more for the Business Drive for Jobs component under which business associations are encouraged to create summer jobs for students within the business community without the help of salary subsidies.

We have also established the Native probationers Program which is offered during the summer and give native students the oppurtunity to work in Employment and Immigration offices.

Mr. Speaker, by taking advantage of Challenge '91 Program, employers in Montreal and across Canada will have a unique opportunity to raise the potential of our future Canadian labour force. For students, as for other young people, the Challenge' 91 components meet a periode range of employment needs including help for students who want to start a business and counselling to younger students who hesitate between staying in school and joining the work force.

Our action is an attempt at helping young people from Montreal and from all over the country, choose between their staying in school or going into the labour market. Our programs are intented to prepare our youths for employment. However, we should never go so far as to tell our young people to get a job instead of finishing school. That is why our government implemented its stay-in-school initiative in February 1990. Over five years, this project should receive $296 million. There is an alarming 30 per cent drop-out rate in Canada at the high school level. That rate could well be the highest in all of the industrialized world. My hon. colleague will recognize, I am sure, that this figure has to be checked.

• (1310)

Mr. Speaker, we all know that, by the year 2000, for two thirds of all new jobs, candidates will be required to have at least a high school diploma and, in many cases, five years of post-secondary schooling.

Students who drop out of school will earn much less than those with a high school degree and will have a much harder time finding and keeping a job. School drop-outs will be unemployed for longer periods of time than other workers. Either they will have to accept low-paid, low-skill jobs or make do with unemployment or some other type of income support. We must not let such a thing happen, and this government is committed to do everything possible to help youths in Montreal and across the country develop their intellectual potential.

Of course, we know that lack of education is an obstacle, and not only on a personal level. It can also translate into a much heavier burden on public assistance programs during a severe recession as the one we are experiencing now.

We must also ask ourselves what will happen if the dropout rate remains at 30 per cent. Who will fill the new jobs requiring sound training if we do not have a sufficient number of skilled workers to fill these jobs? How will Canada compete in the rapidly growing global economy?

The Stay-in-School project not only enhances access to well-paying jobs for a lifetime, it helps youths to accede to a better quality life. It gets us wondering: who should help defining these problems and finding solutions?

The answer lies in the three components of the project, that is programs and services related to labour market and geared to students at risk of dropping out of school, mobilization of stakeholders in order to find solutions, and public awareness activities to inform Canadians on the consequences of the current dropout rate.

Of course, education comes under the responsibility of the provinces, and we fully respect their prerogative in that area. However, my honourable colleague will surely agree with me that the long term consequences of dropout could affect the whole economy of this country, and that, to curb the problem, we have to combine our efforts on a national level.

That is why we call upon all those affected by this problem: parents, union leaders, social groups, young Canadians, business people and teachers. We need the opinion of all those involved because they know better than we do the problems affecting their communities.

During the last fiscal year, we added to the Stay-in-School project a new component called Start Option. It is a $16 million program that gives financial assistance for projects aimed at young people from 12 to 18 years of age.

Start Option is financed through the Job Entry Program of the Canadian Job Strategy and offers considerable flexibility. It allows organizations which qualify for the program, such as school boards, Indian bands and youth-oriented organizations, to receive funds in order to encourage young people to stay in school.

In the same vein, I have the pleasure to be able to point to my hon. colleague that, during the last fiscal year, Quebec joined the Stay-in-School project. A total of $1.5 million, including $153,000 for the mobilization of stake-holders will be spent in Quebec under Start Option.

For example, last summer, in Montreal, ten drop-outs were sponsored by the YMCA du Parc under Start Option, and they all went back to school this year.

Furthermore, last year in Quebec the Canadian Jobs Strategy's job entry program received funding totalling nearly $3.3 million, which benefited 176 participants.

I would like to give you and the hon. member for Welland—St. Catharines—Thorold the assurance that this government is doing everything it can, in Montreal as well as in the rest of Quebec and Canada, to help young Canadians become productive citizens.

When we adopted our Labour Force Development Strategy two years ago, our aim was to consolidate programs that promote the social integration of young people. Thanks to this strategy, our Co-operative Education Program has become even more accessible in high schools and universities across Canada. The program, which is very popular, gives students an opportunity to combine education and job experience, and we are committed to increasing funding for this very important program.

The Labour Force Development Strategy has led to an increase in entry-level skills development and has helped direct young unemployed workers towards the programs and services they need to find work. By further developing co-operative education, by improving apprenticeship programs and by emphasizing a comprehensive and concrete approach to entry-level skills development, we are giving young Canadians the kind of training they need to find a niche in a very competitive labour market. The government is using all these programs and initiatives to try and improve training and job opportunities for young Canadians.

Last year, the Science Council of Canada published a report in which it said that to sustain international competition, it was necessary to co-operate at the national level. That is what the government does. It creates partnerships with business, unions, the provinces and social agencies. A recent example is the $7.4 million the government has committed, over a period of three years, to research and development in the field of counselling methods and training programs for counsellors.

Our emphasis on partnerships is also apparent every fall during Canada Career Week. Special events organized across the country, with the co-operation of Canada Employment Centres, schools and business, give young people a chance to find out more about various occupations and think about their career choices. This fall, Canada Career Week will focus on younger students and urge them to start thinking about their careers.

Furthermore, Mr. Speaker, the hon. member for Welland—St. Catharines—Thorold knows as well as we do that Canada can no longer count on human resources alone to make its economy prosper. In the last Speech from the Throne, the government clearly indicated that in a global economy, prosperity depends increasingly on knowledge, skills and innovation. That is why we emphasize up-dating skills so that young Canadians can develop and diversify our economy and give us a head start on world markets. Business, unions and governments are invited to work together to create at least 2.5 million new jobs by the year 2000 and to increase the real income of Canadians by at least 25 per cent.

Mr. Speaker, these objectives are realistic, but our young people will have the difficult task of achieving them. I want to give the hon. member the assurance that through the programs and initiatives I just described, this government, in co-operation with its partners in Montreal, Quebec and Canada as a whole, is trying to transform a national co-operative effort into effective local action. We are doing everything we can to provide a brilliant future for young Canadians, and we mean all young Canadians.

The Acting Speaker (Mr. DeBlois): Moving on to the 10-minute question and comment period, the hon. member for Québec-Est.

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I want to congratulate my hon. colleague on this excellent speech and let him know that, no later than tomorrow, I will make sure, and it is my duty, that everyone involved in school issues in my riding gets a copy of this historic speech.

Mr. Speaker, in the discharge of my duties over the past seven years, I have often met people, men and women, who were looking for a job, either because they had lost their job or wanted a change. In every case, I did the same thing. I tried to make them realize that nobody is in a better position than they are to help them find a job. As the saying goes: "God helps those who help themselves." I noticed that they do not always give themselves every chance of succeeding. That is when I believe my advice can be the useful and, to sum it up, Mr. Speaker, my advice is this: first, identify the position that suits you before applying; concentrate on employers in the chosen field; apply in person; preferably, have a clear and up to date résumé; finally, take great care over your presentation at the time of the interview.

These constitute, Mr. Speaker, the ABC of success in job hunting. In my experience, a highly motivated person almost always finds work within a reasonable time, provided of course that person puts in the time and energy required and does not rely exclusively on others to do it for him or her.

• (1320)

From what my hon. colleague from Bourassa just said, I am convinced she pays as much attention to the young people in search of a job in her riding as I do in mine and gives them more or less the same advice.

I would like to ask the hon. member for Bourassa a specific question on the excellent, as I said earlier, speech she just gave. We know that the Co-operative Education program is a success wherever it is implemented across Canada. Can the federal government provide increased funding for this program?

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, this particular program, which is also part of the Labour Force Development Strategy, has been quite successful. Since it was introduced, $9 million per year has been spent on co-operative education. Furthermore, the government has approved new commitments totalling $16 million for the next four years to promote the co-opera-

tive education concept. High school students remain and always will be a major concern of this government. As you know, they are the labour force of the twenty-first century. Since this particular group happens to be the worst off at this time, the government is going to do everything it can to help bridge the transition between education and work.

In its comments, the opposition asked us to show some original thinking, to show initiative and creativity. I hope our colleagues on the other side of the House realize the tremendous range of programs that our government introduced since it came to power. The Challenge Program, for instance, which did not exist before and was introduced in 1985, almost seven years ago, a program that has a number of components such as Summer Employment Experience Development, Work Orientation Workshops, Student Business Loans, Business Drive for Jobs, CECs for Students, and Native Internship Programs. There are plenty of programs to help young people deal with the kind of situations they can expect.

I realize the situation is not a particularly easy one. In fact, we have a very critical situation, but our government has decided to face the facts and do what has to be done to ensure that the present critical situation with respect to youth employment will not be merely postponed, to be faced by future generations. In fact, what we see today was predictable a number of years ago. Without trying to blame anyone, however, we have decided to implement the necessary strategies to ensure that the problems we are able to identify now and to which we intend to respond will not be carried on to the next generation.

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I would like to congratulate the hon. member for Bourassa for her excellent speech describing all the initiatives and programs the government has put in place to help young Canadians get a good education in with a view to securing a job later on.

I know the hon. member for Bourassa is very concerned by the situation in Montreal and today's debate must really be of interest to her. I would therefore like to ask her the following question. Given the serious problem of young people who drop out of school because they do not think they will find a job, if she were a student today in Montreal, what message would she convey to students who are thinking of dropping out? What advice could she give them?

Mrs. Marie Gibeau (Bourassa): Mr. Speaker, that is a very good question. Actually, even though we have a full load of answers for them, the only advice we can give them are alternatives, through all our programs. So, as my hon. colleague said not too long ago, the only thing we can tell them is this: every generation, be it our very own, the previous one or the following one, every generation complains about being society's sacrificial lamb every one of them. The same goes for today's youth. They think of themselves somewhat as victims.

Last week, a young man in my constituency told me he could not see any reason to stay in school. He blamed his parents and the previous generation for having been too tolerant. I thought that was funny, because when we were young, we blamed our parents, our teachers or previous generations for some other wrongdoings.

It is never easy to be young. Kids have to take matters into their own hands, although they have been overly-protected and pampered, as is the case with the present generation. The reason they are going through all this might be that their parents and grand-parents, like my own, having lived through the war, became very strict. And then the people from my generation decided to try something else and we became much more tolerant.

The advice I would give them is first of all to be proud of their country. When one looks at the Japanese, one can admire the pride they show in everything they do. That could be considered chauvinistic, but perhaps the time has come to talk about that. The other advice I would give them is that there is certainly no future in dropping out, nor in giving up, nor in refusing to take up a challenge. The future is theirs. Indeed, it is an exciting challenge and it is all the more so because it is difficult. So I would advise them to complete their education because there is no other alternative. There will be absolutely no work for them without basic qualifications. Whether it be at the secondary or postsecondary level, there is no job for underqualified people.

Increasingly, with technological advances and market globalization, the fierce and sound competition which will prevail because of the opening up and rationalization of the Canadian people, our young people, will have to become more productive, more efficient and more qualified at any level and in any field. They have no alternative but to stay in school.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I am delighted to be able to address this particular motion because it is one that is of particular importance to Canadians generally, and certainly to young Canadians.

Members will recall that last Tuesday the Minister of State for Finance said in this House if they, that is students, look hard enough for jobs they will find them. Because the minister had said it, I thought perhaps I should check it out. Last Saturday in my constituency I took a young man and we went around to see what was available.

[*Translation*]

He is a good-looking young man, has good marks in school and is just finishing high school. He is motivated, has a number of skills and it seems to me he could be very useful in many areas. He is good-mannered and proud, he loves to work and has excellent credentials.

We visited eleven places like family restaurants, groceries, hardware stores, and so on. He did not get the slightest chance to have a job offer. He was told everywhere that there was no opening for the time being. There was no opening for the time being, and probably no opening during the week, the next week or the summer months.

Now, that is only one example of what is happening throughout this country. I intend to try the same kind of experience next Saturday. I will go around a number of other sectors with a young woman to see whether she has any chance to get a job.

• (1330)

Mr. Speaker, I must tell you that that young man I was just talking about had made a few written applications. We went to perhaps half the places where he had made an application.

Now, my colleague just said, and I appreciate her comments, that the government is doing all it can. But that is simply not good enough!

[*English*]

There is, not on the part of all members, but on the part of certain members in government, an insensitive attitude. "If they look hard enough for them, they will find them". I think that is too facile. That is too superficial. It is not that easy. What annoys me and young Canadians throughout the country is that there is no acknowledgement of the problem. If you cannot acknowledge that there is a problem, then how can you possibly deal with it?

This government has talked incessantly of competitiveness. We have to be competitive. That means what? That means, obviously, education, training and retraining. Clearly, we would all acknowledge that one is also educated through work. If I look at my particular life in the workplace and in schools, colleges and universities, I think I have learned as much in the workplace as I have in those formal institutions.

Why talk of competitiveness in such glowing terms with such rhetoric, when we see that the follow-up is not there, that there is tremendous disappointment on the part of young people?

[*Translation*]

That is what the situation is today among our young people. When we look at transfer payments for post-secondary education, the provinces will receive billions of dollars less. For training and retraining, we all know that less funds are allocated while more people need to be trained or retrained.

When we look at assistance to students, we see that the criteria have not changed since 1984. When it comes to programs for part-time students, everybody knows, including the government, that it is a disaster. We know that the number of part-time students has increased considerably. Then we have the 3 per cent administrative charge imposed on student loans; a 3 per cent charge for students who are the poorest, and we have not yet spoken of the GST on books and other learning material. You know very well that students are getting more and more heavily indebted. It is appalling and scary! It frightens those young people.

If we look at tuition fees, for instance, in my own province, since 1985, there has been an increase of almost 80 per cent. Those are the facts. Let us now talk of this job program for students.

[*English*]

Summer employment funding from 1985 to 1990, we recognize that the program has been reduced, cut, call it what you like, there is less money, from $149 million to $77 million, a cut of $69 million.

It is true that in February of this year the former Minister of State for Youth said: "Because of difficult economic times", referring to the recession, "we will put in another $3 million". It is not particularly difficult to put in $3 million when you have already cut a program by almost $70 million.

I could reduce all of my employees' wages by one-half, which is approximately the cut, and then give them a 3 or 4 per cent increase, and I am sure that they would not be particularly impressed.

What has been the result of all of this? There were 40,115 fewer jobs than in 1985, if one compares the 1990 total with that of 1985. In fact, there were fewer jobs in 1990 than there were in the year 1985. The average length of those jobs was 9.5 weeks in 1990 and the average wage was $6.10 per hour. That gives you the grand total, possibly, of roughly $2,300 per summer job per student. If you look at the increase in tuition fees that I have been mentioning, add no changes in student aid since 1984, increases in rent and all of their amenities of life, the 3 per cent administrative fee, the GST on various goods and what have you, clearly these students are working in an extremely difficult environment.

There has also been another problem that we have not yet talked about and we must address it. Initially, the intent was to have career-oriented jobs to really help with the learning, to help develop certain skills, to refine them if you wish, to make them more marketable, more competitive. Well, unfortunately, a lot of that has slipped by the wayside, and we do not have the same focus, we do not have the same commitment, or, at least, the intended results are not being produced. That is really unfortunate.

Let me just give another figure. If you look at the wages today and compare them with those of 1985 you see an increase of 12 per cent. So, if one looks at inflation during that period of time, roughly 20 per cent, there has been a net decrease in wages for students.

Now let us look at the unemployment statistics. They are in the range of 20 per cent. If one compares May of this year with May of last year, there is 4.4 per cent more student unemployment this year in the 15 to 24 year-old range, which is really unfortunate. Of course, the 20 per cent range camouflages a whole lot of things because in areas such as Montreal and, I suspect, Newfoundland and the Territories, it is probably a whole lot higher.

What is needed? A complete review of this program and all student-related programs is needed in order to ensure that they respond to student needs in terms of economic and social development priorities. We need wide input and we need to involve the students.

[*Translation*]

Mr. Speaker, I don't deny that the government made a number of efforts. Yet we have to ask the basic question: Do we meet student needs? If our young men and women loose hope, if they begin to think that they can no longer find jobs and that they can no longer hope for a promising future, I think that Canada and all Canadians are loosing something.

[*English*]

Let us make sure that our young men and women of this nation are, in fact, the priority, that there are jobs, meaningful and significant jobs, to help them develop their skills, their abilities, their potential. Let us make sure that they do not despair, that they get the learning experiences that they need in order to make a contribution to this country.

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I would like to ask the previous speaker, the member for St. Boniface, a question as it relates to the situation back in the early eighties when unemployment was extremely high in this country, along with an inflation rate that was rapidly increasing, and bank interest rates were very, very high.

This motion before us really does not give any alternative or make any particular suggestions other than to condemn the good work that is being done. In light of this, I would like to ask the member for St. Boniface if he has some suggestions, maybe reflecting on his experiences in the early eighties, as to how to improve the present unemployment situation. What particular things would this member like to see happening for Canadian youth in the employment sector?

Mr. Duhamel: I thank the hon. member for the question. I want to make sure I have understood the question because I think that my colleague was referring to the world recession in 1981–82, as opposed to the made–in–Canada recession of today, where indeed there were serious difficulties: interest rates and high unemployment. Absolutely. He failed to mention, of course, the differences in interest rates between Canada and the U.S. which recently have been at a record high. But we will set that aside for the time being.

I am amazed because I really did not simply point out the difficulties and pitfalls and some of the weaknesses of the programs. I did that because I expect that the government would want to listen to what it is that we have to say because it might be able to benefit from that. One of the main points I made is that there should be a total review of those programs to see if they are indeed in line with the government's economic and social development policies.

• (1340)

That was the first point. The second point was that there should be wide consultations in order to ensure that the review is as comprehensive, sensible and sensitive as possible. I did mention as well that it would be important to have the students involved in that kind of review.

With respect to money, because that is obviously an important consideration, we have a deficit of $30 billion and it has been hovering around that number for a long, long time. It will soon be $400 billion. It has more than doubled over the last seven years. I know we have a serious economic problem.

When I look at these cuts of $69 million and I look at some of the other activities the government undertakes, I cannot help but wonder whether we would not have been able to maintain such a program. Perhaps we would have been able to enhance it.

When there was a war in the gulf, money was found to go to war. We ought to be launching war against poverty; we ought to be launching war against unemployment; we ought to be making certain that our young people have the skills and the experience so they can contribute fully to Canada. I know that is what he wants, and certainly that is what I want. That is what my party wants.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, the hon. member for St. Boniface and I just returned from the opening of the Assembly of First Nations conference in Winnipeg. My hon. friend comes from a province with a very large portion of aboriginal people. He will recall that just a year or so ago the government cut the funding for post–secondary education to Indians.

I would like to ask him about this. He comes from a province with a very high number of aboriginal people. I would like to ask him about the devastating impact on young aboriginal people, young Indians, young Métis, and how that is going to affect their whole outlook on life.

Mr. Duhamel: Mr. Speaker, I want to thank my colleague for the question. I tried to address that in part. Certainly his question is much more specific.

As I pointed out, unemployment figures for people 15 to 24 years of age are, as of this May, 4.4 per cent higher compared to a year ago. There are pockets within Canada where it is alarmingly high.

I was told as recently as last night, when my hon. friend and I attended the same function in Winnipeg with respect to the outgoing Chief Erasmus, that there are unemployment figures of over 90 per cent on our reserves. How can our young aboriginal people have any hope for the future when they face such a debilitating kind of situation? *C'est écrasant, c'est extraordinaire.*

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, in this motion which we have put before the House, we are calling on the government to implement immediately measures to alleviate the devastatingly high rate of unemployment among Canadian youth.

If we look at the unemployment figures which came out last Friday, the rate of unemployment for youth in this country in May was 16.6 per cent. That figure covers youth who are going to return to university, to CEGEP or to college in the fall and it also includes non–student youth. The figure of 16.6 per cent is considerably higher than the 10.3 per cent which is the general unemployment rate in this country, and that is bad enough; nearly 1.5 million Canadians unemployed. However, if you break down the figure of 16.6 per cent unemployment for youth, it is 15.8 per cent for students who will return to school and to university and it is 17.4 per cent for non–student youth.

Look at some of the things that are being said about this. I have here a clipping from *The Globe and Mail* dated June 4, 1991. The headline reads: "Thirsting for employment in the summer job drought. Summer jobs for university students are drying up while tuition fees are rising and students are becoming more serious about finding work related to their fields of study. The situation has made some students bitter, while others are close to panic." The article goes on to say that many of the jobs are part time or casual and the wages are near to the minimum wage.

Students rely on summer employment to pay their tuition, lodgings, food and books, and to live during the year while they are in university.

I have another article, this one from *The Montreal Gazette* of May 21. It is on the youth unemployment situation in Montreal, particularly with respect to students and their attempts to find summer jobs. It talks of one student who is among the 1,700 university graduates in Montreal who this year will find themselves jumping into a job market already made sluggish by a recession and a local unemployment rate which has left as many as 200,000 people seeking work in Montreal.

In the French newspapers, we see in *La Presse*

[*Translation*]

—May 27 1991: Tough summer for the students. The unemployment rate for those aged between 15 and 24 dramatically increased since September, that is less than a year, from 13.9 per cent last year to 20.9 per cent this year in Montreal. This summer, many students will have to accept small jobs paying the minimum wage.

Mr. Speaker, we could also read the following in an Ottawa newspaper, *Le Droit*, on April 25: Youth unemployment Statistics Canada just announced that youth unemployment in Quebec has reached alarming levels. Last month, the unemployment rate for those aged between 15 and 24 reached almost 21 per cent, that is 7 per cent more than March of last year.

[*English*]

This situation is alarming and what is the government's response? Two years ago the government cut the summer employment program, the Challenge program, by 35 per cent and this year it was increased by a mere $3 million, an increase of 2.5 per cent, I believe. With unemployment becoming a larger and larger problem, that was total nonsense. Total nonsense in face of the problem.

The hon. member just asked a question of my colleague: what would you do? What we would do is put the funding back where it was in 1984, 1985 and 1986 so that community groups and small businesses could employ people to do the jobs that have to be done.

In my own constituency, for example, the Challenge program has been cut for four consecutive years. Last year the funding was $107,865; this year it is $89,677, a cut of 20 per cent. Last year we were able to fund 68 jobs, this year only 50. I have already described the unemployment figures for students in Montreal.

What would we do? The groups that have lost those jobs are day care centres for young people. These are programs to help the elderly in hospitals and in senior citizens' homes. These are jobs in hospitals and in rehabilitation centres. If the government had a little more political will and put the money up front, there are all sorts of things that have to be done in this country, especially by social agencies for the poor, the sick, the elderly and for impoverished youth. Those jobs are there waiting to be funded. The government is simply backing off with this ridiculous argument that because we have a deficit we must cut back on all things. It is cutting back on the wrong things. The last thing you cut back on in time of recession is education and helping young people prepare for education.

What has the government done? It has not only cut back on the programs for summer employment. In the last budget it cut back on the training and retraining programs. It cut back on assistance to the provinces for post-secondary education. It cut back and closed the student employment centres and it cut back on research and development. These are the last things that you will ever cut because these are the things that help you increase your national income and productivity. These are the things that create a thriving economy.

• (1350)

If you do not have trained, skilled workers, if you do not have the professional people, the scientists, to do the job in this country, we will become a banana republic. I do not know if the government realizes that. By cutting education and cutting money to students for education, what the government is doing is bringing about a situa-

tion in which we are going to have a lot of people under-trained, under-educated and under-skilled and we will become a country with a much smaller capacity to produce and to cut that deficit.

If you really want to cut the deficit, you invest in things which will make you more productive. To quote the president of the Canadian Federation of Students: "Students represent Canada's single most important investment in the future. Human resources are the source of our greatest productivity in this century and at this time. It is absolute nonsense to cut programs that will help people contribute to the economy of this country and that is what you are doing when you squelch on your youth, your education and your employment programs."

There is a lot that could be said in this debate. For example, apprentices, because they lack hope, are dropping out of apprenticeship programs. I have here a special article from Statistics Canada pointing out that over 40 per cent of the 50,000 participants in apprenticeship programs drop out because they feel they have no hope of getting a job when their apprenticeship program is over. That is just another example.

The government's policy in this matter is cock-eyed. It says it is committed to the training of youth, to the education of youth and to the employment of youth, but that is rhetoric. The facts speak for themselves. The government says one thing but it does another. I say to the government: "Wake up. You are ruining the country and the country's future. Change your policies now before it is too late. If you want to ask us what should be done, we will tell you to do more of what was done in the last four or five years and you would be doing something."

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would like to make a comment or two to the hon. member because he stood in his place and threw around a bunch of numbers about unemployment and also gave this House the distinct impression that the government has abandoned young Canada and is doing nothing.

I just want to remind the member that problems of youth unemployment are not new. As the member should well know, when he was part of the previous government and we can hearken back to the last recession, there was a youth unemployment rate of almost 18 per cent in 1982 in the month of May. In 1983 there was over 20 per cent unemployment among youth.

Now that compares with May of last year at around 12 per cent and May of this year at 16 per cent, which is still too high. I think we will all admit that, but the hon. member has an obligation to put this into a context that means something, instead of just giving us a lot of rhetoric.

On the issue of this government having abandoned youth, I think the member and the House need to be reminded, and the statement should be corrected by saying that in February of last year the government announced a program worth almost $300 million just aimed specifically at this problem. That is not all. Summer Employment Experience Development Program is in place now for $80 million; work orientation workshops, $35 million; student business loans almost $1 million; Canada Employment Centre for students almost $10 million. This is serious money that is being spent.

I have one question for the member and it centres around one comment he made. He said there was a ridiculous argument that the government is cutting back on expenditures because we have a debt. I want to ask the member if he realizes that nothing hurts our youth more than debt. If we have cuts today it is because we had debts yesterday and the chickens are coming home to roost. We are poisoning the future and, what is most important, our youth knows it.

I would like to ask the member to rise in his place and tell us if he is going to accept and acknowledge his responsibility as a parliamentarian to stop squandering the future of this country.

Mr. Allmand: Mr. Speaker, I thank the member for giving me that question. Of course we have to cut the debt, but you do not cut the debt by cutting back on education; you do not cut back the debt by cutting back on training; you do not cut back the debt by cutting research and development. If you are really interested in cutting the debt, you increase the productivity of the country. You increase the climate in which people will invest and they will find trained and skilled people in this country. The last thing you cut is education and pro-

grams relating to education, including summer employment programs for students. Yes, you cut, but you do not cut in those areas which will hinder your ability to produce more. The way you cut back on the deficit is by becoming a country with fewer unemployed and greater productivity.

That is my answer to that question.

With respect to the other question, he referred to 1981–82. We had a serious recession in 1981–82 and there was a high rate of unemployment, but the Liberal government of the day increased its spending for summer employment, increased its training programs and increased its programs for students; it kept people in university. Look at the record.

We increased the programs. I was part of the government. I was in Parliament. We increased the spending because we thought it was important to prime the pump and put people back to work.

What does this government do? It cuts. It cut by 35 per cent in 1990. It increased by a measly 2.5 per cent this year.

In answer to the hon. member, this is not the Liberals speaking. This is not the New Democrats speaking. I will refer to the president of the Canadian Federation of Students who says, and I quote from a press release of February 4, 1991, after the Challenge program was announced: "This government's record on student employment programs is appalling". I will spell it: a–p–p–a–l–l–i–n–g, appalling. That is the Canadian Federation of Students, not the Liberal Party.

Some hon. members: Hear. hear.

Mr. John E. Cole (York—Simcoe): Mr. Speaker, I want to speak today on this particular motion and to assure my hon. colleague that this government is committed to the youth of Canada and to youth employment. We all want young Canadians to have every opportunity possible to take their part in the nation's economy. We do not want them sitting back watching it go by. We want Canadians and Canadian youth to be involved in this economy. That is why this government has invested millions of dollars every year on services and programs for the youth of Canada. Even in this time of budget restraint we recognize that these kinds of programs must take place.

I want to point out to my colleague that the motion he has placed before the House completely ignores the reality of the situation. This motion only confirms that my hon. colleague shows a disturbing insensitivity to the real issues of youth employment. Youth employment is not simply providing a make–work project here or a make–work project there, a simple task of creating a few more jobs. The real key is the same one that affects employment for Canadians as a whole. That key is to develop our education and our training systems so that we can meet the challenges that face us in a global economy.

We must recognize that because our economic health as a country, which is our ability to compete, depends on how well we prepare young Canadians to take their places in the work force of tomorrow. We cannot afford to ignore the needs of our young Canadians, and we are not.

Since this government came to office there has been considerable progress made on behalf of the young people in this country. Millions of dollars have been committed to youth initiatives particularly in my area, certainly in southern Ontario and in the greater Toronto area where there are many competing demands for very limited resources.

We are meeting this challenge and we will continue to do so. Thousands of young Canadians use our programs to access skills, training and jobs. That includes all members of society. Right now hundreds of students are heading into the summer job market in my area and I can assure the hon. member that we are well aware that this is one of the toughest summers in which to land a job.

Mr. Speaker: It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

CLAM FISHERY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, several hundred people in the seasonal clam fishery in my riding have found themselves unable to earn a living because there is no market for their product.

The people involved reside along the Five Islands—Economy Shore and have no other means of support. Their situation has come as a surprise and caught them off guard. Their problems are compounded because their unemployment insurance benefits have now run out.

Through no fault of their own, hundreds of people have no source of income to feed their families. I ask that the Department of Employment and Immigration extend their UIC benefits for the few weeks required until the fishery market is re-established.

Although there are several programs to help Atlantic Canadian fishermen, these people seem to have fallen through the cracks. Part of the problem is an overabundance of American product which should be depleted shortly and allow the Canadian product to find a market.

I appreciate that departmental officials and the minister have all been very supportive. I urge them to find a solution to this problem as quickly as they can.

* * *

PUBLIC SERVICE

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, whatever the other results, I believe that all ministers and all members of the House will agree that the inquiry into the Al-Mashat affair has seriously damaged the anonymity and impartiality of the Public Service.

The delicate relationship of accountability and mutual trust must exist between the elected and the appointed servants of the Canadian public.

The Public Service of Canada is the most important instrument we have as parliamentarians to ensure that the programs and policies determined by this House are determined impartially, efficiently and effectively, and to ensure that the government and Parliament are well informed and advised in determining the future of the nation.

In order to begin to repair the damage, I urge the Prime Minister personally to take responsibility for establishing a special committee of this House to examine and report to Parliament on restoring the proper balance of accountability, responsibility, anonymity and impartiality in the relationship between the elected and appointed servants of Canadians.

[*Translation*]

YOUTH

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, I want to show you the youth situation, according to the labour market analysis made by the Canada Employment Center for Val-d'Or and Senneterre.

As you know, young people must face numerous difficulties on the labour market, the unemployment level being very high.

Moreover, jobs available are very often at entrance level in the hospitality or restaurant business or in retail sales. The working conditions are less competitive in these sectors and there is a high turnover.

It is no surprise then that young recipients give as their main occupation handling, administration, sales or services. The education level of young people in the labour market is high enough for the kind of work available.

However, the moment there is job specialization, young people have integration problems. I must mention that the drop-out phenomenon is reaching young people in our area too.

Mr. Speaker, life is not easy for today's youth, but it is encouraging to note that, since 1984, it is getting better. Only through our continued combined efforts will we get the best results.

* * *

[*English*]

NATIONAL UNITY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, next year is Canada's 125th birthday. Canadians from coast to coast to coast will be celebrating a country that recently has had a difficult time.

Especially for aboriginal people, 1992 takes on a different meaning. At the New Democrats convention in Halifax this weekend we recognized this fact and have urged all Canadians and their governments to ensure that a serious message about aboriginal people is considered in any plans for 1992.

The recent shift of Canada 125 from the Secretary of State for External Affairs to the Minister responsible for Constitutional Affairs is a sign that hopefully the government will consider all regions of the country when planning its events.

We want to ensure that when we celebrate 1992 all parts of the country can participate, and not just Ottawa. Only through a grassroots celebration across Canada will we achieve the true national unity we are all striving for.

* * *

YOUTH EMPLOYMENT

Mr. Garth Turner (Halton—Peel): Mr. Speaker, this House of Commons is devoting many hours today to a debate on the plight of our young people.

Opposition members are suggesting that the government solve the problem of youth unemployment by spending more money, money it does not possess and would have to be borrowed.

This is not what young people want. Instead, they want us to stop mortgaging their future with more debt.

As Jonathan Will writes from British Columbia: "No one in this country has more at stake in our current struggle with the escalating national debt than young Canadians".

As a young Canadian himself Mr. Will is asking us, the parliamentarians of this country, to stem the tide of red ink. Young Canada wants us to cut spending and free the future, not to borrow further and squander that birthright.

We have a responsibility in this House to do exactly that. The future does not belong to this generation and it is time we gave it back.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, you may be interested to know that Quebec's Minister of the Environment, Pierre Paradis, has urged the federal government to play a stronger role in the environmental assessment of the impact of the James Bay II project. We can only hope that the federal Minister of the Environment heard this unprecedented call for help.

Rafferty–Alameda, Oldman Dam and Kemano II are dam construction projects where the federal government had to be taken to court before it would respect its own environmental impact assessment laws.

The James Bay II project runs the risk of being added to this list of court defeats if the government does not live up to its environmental responsibilities.

Will the new Minister of the Environment listen to his Quebec colleague and do the right thing? We hope so.

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[*Translation*]

STUDENTS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, school holidays will start soon and I would like to offer my best wishes to all students for an excellent summer and a well-deserved rest. In my riding, I attended some events at the secondary, college and university levels designed to recognize the exceptional talents of our students. I have no doubt that those young Canadians will assert themselves and take their rightful place in our society.

I also want to take this opportunity to tell those students who are thinking of dropping out to immediately discuss their plans with their parents, teachers ou principals. If they make known their intentions, they will get to discover the different solutions that we, as a government, offer them and they will find that people are willing to help them evaluate the effects of such a decision.

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[*English*]

MANITOBA

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, a short time ago my provincial counterpart, Mr. Neil Gaudry, and I visited the St. Boniface Hospital Research Centre to examine the Magnetic Resonance Imaging Scanner. This machine which performs critical diagnostic and research functions puts St. Boniface Hospital in the forefront of medical research in my native province, indeed in all of Canada.

There is an important message here. If Manitobans were not continually ravaged by, for example, the loss of the CF-18 contract, massive cuts to health and education, the closing of the Portage la Prairie military base, what about Shilo, the decimation of Manitoba's trucking

industry, the reduction of CN workers' complement by over 20 per cent, the possible rerouting of CP Rail's trains through the U.S., the almost total annihilation of VIA Rail, the privatization of Air Canada resulting in loss of jobs and the virtual gutting of CBC, what would happen? Where will it stop?

The message is very simple. We would thrive. Give us the support we need and deserve and we will hold our own. In fact we will excel at it.

* * *

NATIONAL UNITY

Mr. Walter Van De Walle (St. Albert): Mr. Speaker, the membership of the Royal Canadian Legion believes in a united Canada and has since the organization's inception in 1925. It recognizes the need for change in our political structure, in the bureaucracy and in the Constitution. It believes through compromise and understanding Canadians working together can and will overcome these obstacles.

The Royal Canadian Legion supports: (1) a strong and united Canada, (2) a guarantee of individual rights and freedoms, (3) a policy of two official languages at the national level, (4) a need for a political framework supporting our continued existence as a nation, and (5) a simplified process to amend the Constitution.

Canadian unity is being threatened by separatists not only in Quebec but in western Canada. They want to divide our country. I urge Canadians to tell the likes of Parizeau, Bouchard and Manning that we believe in a United Canada. We are proud to be Canadians.

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TRADE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, last week we learned that a firm named Multinational Resources, listed on the Vancouver Stock Exchange and with strong links with U.S. companies, announced its intention to dam the North Thompson River, which is a tributary of the Fraser River at Vavenby, British Columbia, in order to divert water into the Columbia River basin which would eventually be delivered to the San Diego, California market.

This is occurring which the federal government begins negotiations to conclude a free trade agreement with Mexico and the United States.

• (1410)

We are aware that the governor of California, last month, indicated that he was anxious in purchasing fresh water from Canada for his state. We are reminded that the North America Water and Power Alliance proposal calls for British Columbia and Yukon Rivers to be damned and diverted into the United States and northern Mexico. We also know that the Canada–U.S. Free Trade Agreement did not say that Canada's rivers would not be diverted to flow into the United States.

I call upon the government to speak up and say that Canada's rivers will not be sold to the United States; that our fresh water is just that, our fresh water; that Canadians will not allow our rivers to be diverted wholly or partially to be sold in the United States or northern Mexico.

* * *

CONSTITUENT ASSEMBLY

Hon. Alan Redway (Don Valley East): Mr. Speaker, Quebec Premier Bourassa says that a constituent assembly is an uncalculated risk that is not worth taking.

Last year the premier took a calculated risk on 11 middle aged white men in blue suits meeting behind closed doors. He says he will not do that again. He is prepared to risk negotiating but only with the federal government. That is a risk, however, that English speaking Canadians find totally unacceptable because both the Prime Minister and the premier come from Quebec.

A constituent assembly may be an uncalculated risk, but it is a risk that 68 per cent of Canadians outside Quebec and 57 per cent of Canadians in Quebec say they want to take. That makes it the only risk that is acceptable to a majority of Canadians.

Surely, if we learned nothing else from Meech Lake, we learned that it is not worth taking the risk if it is not acceptable to the majority of Canadians.

S.O. 31

GOODS AND SERVICES TAX

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, when the hated goods and services tax went into effect on January 1, books started to be taxed in Canada for the first time since Confederation.

Back in November the Prime Minister said that he would reconsider the tax on books if there was proof the industry was being adversely affected, that is the book business.

Now there is proof, proof not only that book businesses are being adversely affected but also that education is suffering.

Canadian book publishers' sales dropped by 12 per cent since the tax was introduced. However, the more worrisome figures are these: sales of books to Canadian colleges and universities were down 23 per cent for the first quarter of this year and net sales to schools were down 34 per cent in March.

Can this be passed off as just another effect of the recession? No, Mr. Speaker, because during the 1980–83 recession Canadian book sales actually increased by nearly 54 per cent.

There are other troubling wrinkles that have resulted from the tax on books, a tax that sets Canada apart. Many foreign publishers, particularly smaller ones and those whose books are not taxed in their home countries, are so aghast at having to file monthly tax returns to the Canadian government that they decided not to bother shipping to Canada.

In March, the government lifted the GST from human sperm donated for artificial insemination. Surely books and the education of Canada's younger generation are important enough to be added to that list.

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[*Translation*]

LA CORNE D'ABONDANCE

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, on May 31, I was invited to visit a food business in my riding called *La corne d'abondance*, formerly *Le verger naturel*.

This business, which is owned by two young people who succeeded their father after he had spent many years running it, many years is a striking example of a takeover by young dynamic people who are sensitive to the present needs of their customers.

Mr. Speaker, I was enthusiastic and impressed by the cleanliness, the concern for the environment, and the emphasis on product packaging and quality.

I am convinced that those young people will succeed in making this business what we could call an example for other youths who have the desire to carve out a niche in our active society.

* * *

[*English*]

CONSTITUENT ASSEMBLY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in Halifax at the NDP Convention, the delegates passed a resolution to move us closer to a constituent assembly in this country.

Also over the weekend the Conservative premier of Nova Scotia, Premier Cameron, endorsed the idea of a constituent assembly on the Constitution. That now brings it to five premiers in the country who endorse the idea: Premier Cameron in Nova Scotia; Premier McKenna of New Brunswick; Premier Wells, the Liberal premier in Newfoundland; Premier Rae in Ontario; and Premier Devine in Saskatchewan.

In light of the growing momentum, as Premier Wells says on this particular issue, I would urge the Canadian government across the way to consider the possibility of a constituent assembly as a means of opening up the process and making it really accessible and democratic for all Canadians.

* * *

JAPAN

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, one of Canada's best kept secrets last month was the outstanding success of the Prime Minister's visit to Japan in promoting new dimensions of trade and diplomatic relations with that country.

As one who was privileged to be invited as a member of the Canadian delegation, I can speak first hand and proudly of the impressive performance by the Prime Minister in addressing the profound potential for trade in goods and services and for two-way investment which exists between Canada and Japan.

The Prime Minister's message was clear and simple: Canada is keen to increase its business with Japan in both directions. There is much to offer for each country: large markets, good products, innovative services, and a political and economic climate which is stable and compatible.

The Japanese response was equally straightforward. Their citizens admire and respect Canada. That respect was best expressed by the full participation of Japan's leaders at the opening of the new Canadian Embassy on May 27, an event to make any Canadian extremely proud.

It is too bad more news has not been made in Canada of this successful trip.

ORAL QUESTION PERIOD

[*English*]

GOODS AND SERVICES TAX

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

Four years ago next week the former Minister of Finance unveiled a tax package in which he claimed that future tax changes like the GST were going to be "revenue neutral" and that in fact "most Canadians will pay lower taxes". That is what the minister said on June 18, 1987.

Yesterday, his successor finally admitted what Canadians had known for months, and that is that Canadians under this government's policies are taxed to the limit and they will not take it any more.

In fact the Tory tax machine is so voracious that the GST has raised 18 per cent more than predicted: $400 million, to be precise.

I ask the Acting Prime Minister: When will his government announce an 18 per cent cut in the GST rate to give Canadian taxpayers a break at the very least, or when will he end this vicious GST?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, royal commissions commissioned by the Liberal government over the years have said to get rid of the manufacturers' sales tax and to bring in a consumption tax. That was done after great consultation with the Canadian public.

The first quarter returns are more than were expected by the Government of Canada, but one-quarter does not a year make. We have to wait until the year report is in to assess exactly how the largest tax change in Canadian history has performed.

I might remind the hon. member that we have made a commitment to the people of Canada that any funds from the GST that are excess will in fact go to the deficit reduction and debt reduction fund, which legislation will be introduced in this House later this week.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have two ministers in two weeks who have admitted that Canadians are taxed too much.

My question is to the Acting Prime Minister.

[*Translation*]

We know that the taxation machine of the Conservatives has reaped out 18 per cent more than forecasted for the GST. That is, Mr. Speaker, $400 million more than anticipated! Is the Acting Prime Minister willing to reduce the GST by 18 per cent, since these revenues were not expected when it was first introduced?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, to be fair in assessing the goods and services tax, I think we should wait a year before we make that type of judgment.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Canadian taxpayers are paying that tax now, and the Minister of Finance yesterday made it quite clear that the policies of his predecessor have failed and failed miserably. In fact the Canadian taxpayer is among the highest taxpayer in the world.

Some hon. members: Oh, oh.

Ms. Copps: My question to the Acting Prime Minister: given—

Mr. Speaker: The hon. member will put her question.

Ms. Copps: Mr. Speaker, the tax increases in the last four years have been higher than in any of the G–7 countries.

• (1420)

My question is for the former Minister of Finance. Does he agree with his colleagues, the Minister of Revenue and the Minister of Finance, that Canadians are paying too much tax? Does he agree?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, first of all, the hon. member quoted the two ministers out of context totally. Second, Canada is not the highest taxed in the OECD. As a matter of fact we are the third lowest under the OECD in total taxes paid in this country. So, before she makes these statements in the House, she should in fact state the facts. I think that is most important.

Third, unlike the Liberals who do knee-jerk reactions to everything, we are going to wait to assess this over a year period when it has been in operation for that period of time.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Acting Prime Minister. During the registration period of the GST, the Minister of National Revenue said at the time that there were more taxpayers than anticipated. After three months, $400 million more than forecasted have been collected, the official explanation for that being that there were more returns than expected. Does the government know what the revenues of the GST actually are? Are we going to know how much taxpayers are actually paying for this GST which is creating problems for the Canadian economy?

[*English*]

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as I mentioned to the hon. member's colleague, the money is going to the debt servicing and reduction fund. That is exactly the commitment that was made in the February budget by the previous Minister of Finance. That piece of legislation will be introduced in the House, I believe later this week, and I trust the hon. member and his party will support it.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, for seven years this government has never come close to one of its budget predictions.

When you introduce this proposed legislation, do you know how much money you are going to put against the debt with the GST? Stop saying you are going to put it against the debt. How much? Do you know what you are doing?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, all moneys collected under the goods and services tax, with the exception of those that go to senior citizens and rebates to low income people, will go into the debt servicing and reduction fund.

My hon. friend says: "How much?" He will know how much because the Auditor General will audit that account and produce the facts for the Canadian people.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, clearly the figures reveal that the Canadian public is being gouged and screwed by the GST even worse than the government itself predicted the Canadian public would be.

I want to ask the minister: Given these returns, if you like, in the first three months of this year, will the government reconsider the GST? Will it scrap the tax and will it look for the money that it claims it needs in things like the trust funds that are supposed to be taxed in 1993 but which the government is moving to protect further?

There are billions of dollars there that the government could tax which have gone untaxed for 21 years. Why does the government not do that and give the middle class a break and stop taxing them to death as these figures show you are doing?

Hon. John McDermid (Minister of State (Finance and Privatization)): No, Mr. Speaker, we will not.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, let the record show I asked them to stop taxing the middle class to death and he said: "No, Mr. Speaker, we will not". That is the policy of this government, to keep taxing the middle class to death.

If the minister is not willing to do that, is he at least willing to consider some of the exemptions that people have been asking for time and time again? The government has said it is committed to a learning culture. Will it finally exempt books from the GST?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the question in the first place was would we abolish the GST. That was the question that was asked and I said: "no". That was no. If the hon. member was fair, he would admit that.

Second, we are not at this time considering reducing the GST on books.

Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the minister said that they wanted to reassess things after a year. Can I ask the minister if, not necessarily at the end of the year, this trend continues and if the government continues to make this amount of money from the GST, will they consider not only lifting the tax on books but also on women's health products, on co-operatives and a number of other areas on which there has been consensus that it is quite inappropriate to have the GST?

Mr. Speaker: The question is hypothetical.

* * *

IMMIGRATION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

In public statements made last week the minister said that a secret and highly sensitive document informing him of the Al-Mashat affair and read by his chief of staff cannot be found.

Considering that the loss of this secret document is a serious breach of security and its loss undermines the credibility of the minister's handling of this case, I want to ask the Minister responsible for Constitutional Affairs: What specific steps the government has taken to thoroughly investigate the whereabouts of this secret memorandum?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, first of all let me take this occasion before I answer the question, because I am sure the hon. member would want to do this himself if he had read the clipping, to offer the House's congratulations to our diplomat, William Bowden, for the award that he won, the only foreign diplomat to win an award from the United States for his courageous and compassionate assistance in the weeks after Saddam Hussein's August 2 invasion of Kuwait.

I would not want to let go unrecorded in this Chamber, Mr. Speaker, the gratitude of this House to an outstanding public servant.

Let me say that we have, as the hon. member knows from our original statement, put in place new procedures which will ensure that information comes directly to ministers as it is required. We are in the process of looking for the document within the department that the hon. gentleman mentioned.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, it would have been more appropriate for the minister to offer congratulations to Mr. Bowden in a ministerial statement so that the entire House could have joined in that particular applause.

However, I would like to ask a supplementary question. In the past the government has never failed or hesitated to call in the RCMP when there were clear breaches of security. Considering how crucial this lost memorandum is to the work of the inquiry, to the credibility of the minister and to the whole understanding of the Al-Mashat affair, will the minister now ask the RCMP to begin an investigation of its whereabouts?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I certainly think that would be premature. I think it is important that we look for the document. That is what we are doing.

I also believe that as parliamentarians or as public servants or as ministers, however we are involved in this, there are pressing matters at stake which need to be looked at these days and I think that the House should turn to them.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Acting Prime Minister.

I would draw the attention of the House to the May 30 edition of *Hansard* wherein the Deputy Prime Minister in response to my party's Al-Mashat committee question says:

> All witnesses they require and*or demand will be available to respond.*

My question is: Does this statement still represent government policy?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, to my knowledge there has not been a request from the whole committee for other witnesses who have not appeared.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the same minister.

It appears the government has invoked a new doctrine of ministerial accountability which states that the less a minister knows the less a minister can be blamed.

Can he confirm that this policy of calling witnesses just affirmed by the minister extends to the calling of the former Clerk of the Privy Council, Mr. Gordon Robertson, who will testify about ministerial accountability and responsibility?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, two things: As my colleague, the Secretary of State for External Affairs, outlined in her submission to the committee, there is a well accepted principle with regard to ministerial responsibility, not only accepted by this government but at the McGrath report hearings accepted unanimously by all members of this House.

An hon. member: Oh, oh.

Mr. Clark (Yellowhead): We are following that practice. Now Ms. Copps seeks to change the topic, so let me deal with the second matter.

The second matter is, as I indicated, if there is a request from the whole committee that will be considered.

* * *

• (1430)

EMPLOYMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the minister for industry and international trade. There were 15,000 more people unemployed in the month of May. Full-time jobs have fallen by 330,000 since this time last year, and the most recent economic report from the Bank of Montreal says that the recovery is going to be weak and sluggish. People, in short, are hurting. I want to ask the minister if the government will act against one of the key reasons for this economic damage. Will this government take Canada out of the free trade deal and give us back our economic independence?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not think the hon. member is telling anybody on this side of the House that people are hurting. We understand that and it is something about which other ministers and myself have expressed a good deal of concern.

For the hon. member to say that we should get out of the free trade agreement tells me that the hon. member is not understanding the impact of the free trade agreement on the economy. There is no question we have been in recession, but if we had not had the free trade agreement we would have been in a deeper recession because the trade surplus with the United States has gone from $14 billion in 1988 to $17 billion in 1990. Our exports to the United States have increased by 12 per cent during that period, and we have seen a net change in the net flow of foreign direct investment into Canada, a change in the net positive basis for Canada, of $6 billion. All of those have created jobs in this country and have ensured that the recession is not more serious in its impact.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the minister likes to talk about the trade surplus. Let us talk about the whole current account balance because the fact is Canada had a current account surplus with the United States in 1988 and since the trade deal we have had a deficit of over $3 billion. That means lost jobs.

Is this minister prepared to start to do something about the whole host of problems with this trade deal, the fact that our energy policy moves are blocked, the fact that we are not able to make the moves to give Canadian content in our various industries, all those things that are stopping new jobs from being established in this country? Will this minister in fact give us back our independence as a nation?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, my friend asked a question originally about the free trade agreement. The free trade agreement affects exports and imports and that is what I was referring to in the current account balance which includes interest and dividends. To suggest that this is integrally woven into the free trade agreement, my friend could go back and understand that that is not the case.

He is looking for a degree of independence. We are gaining a degree of independence by the fact that we are following policies that are designed and will strengthen the economy of the country. It is with the strengthened economy that we will strengthen our independence as a nation.

For my hon. friend to suggest that total independence is achievable in this world of global interdependence is totally unrealistic and he knows that.

* * *

[*Translation*]

IMMIGRATION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the President of the Privy Council who stated last week, in reply to a question I asked him, that Mr. Raymond Chrétien had made an error of judgment in not apprising him of the Al-Mashat affair before he set off to meet with James Baker and tour the Middle East.

Does the same symmetry principle apply to Mr. Paul Tellier, who knew about the Al-Mashat affair on March 11, but did not inform the Prime Minister before he met with the US President on March 13?

Will the minister have the decency to recognize and tell this House that, in fact, the Prime Minister knew about the Al-Mashat affair when he met with the U.S. President?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): No, Mr. Speaker.

Hon. André Ouellet (Papineau—Saint-Michel): In that case, I would have a supplementary, Mr. Speaker. Now that we know that a four-minister committee tried desperately to lay on someone else the blame for something they were responsible for, can the minister explain why this committee did not instruct Mr. Shortcliffe to demand an apology from Mr. Tellier as well, for not having apprised the Prime Minister of the Al-Mashat affair before his meeting with the President of the United States? Why have they demanded an apopoly from two civil servants, but not from Mr. Tellier or those who approved Al-Mashat's application in Vienna?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, there was no ministerial committee with such a mandate.

CANADA POST

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. On May 7, Canada Post announced yet another attack on rural Canada, by eliminating manual sorting in small communities. This means half the staff of the Campbellton post office, in my riding, will be let go. Considering the high unemployment rate and the fact that the loss of sorting jobs will seriously hurt the economy and postal service in the area, what will the minister do to save these jobs in Campbellton?

[*English*]

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the post office, along with all modern, progressive corporations seeks to use the latest technology to improve its efficiency. So the use of optical character readers and machine sorters and so on, have done away with the hand sorting.

The hon. member is not suggesting that any time technology allows us to do jobs automatically that formerly needed to be done by hand, we should get rid of the modern machinery and continue to do the operations by hand strictly for the purposes of maintaining those positions.

The post office is now the most efficient post office in the world and we should all be proud of that fact.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, a supplementary for the same minister.

Canada Post intends to relocate sorting operations from Campbellton, New Brunswick to the province of Quebec, even though this is not part of the consolidation process.

Since I have a letter addressed to me from the office of the President of Canada Post, which says: "I can assure you that we have no plans to remove sorting operations from Campbellton", will the minister instruct Canada Post to rescind its decision in light of this breach of commitment and if not, why not?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): The reason I will not do that is because in 1981, when the hon. member for Papineau was responsible for Canada Post,

he brought in a bill creating a Crown corporation for the purpose of eliminating political interference. That was the position of the Liberal Party. We think it was a wise decision. In fact, it was a decision adopted unanimously by the House.

The hon. member is asking me to be in contempt of the House and I will not do that.

* * *

TRADE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister for International Trade.

Previous news reports indicated that once the minister had a consensus among all of the provinces he would be approaching the U.S. administration to start renegotiating the softwood lumber tariff memorandum of understanding.

• (1440)

Can the minister tell this House if he has the required consensus, especially from the Atlantic provinces, to tell the U.S. that Canada wants out of the MOU?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, a simple answer to the question is no, we do not have that consensus.

I have indicated to the U.S. trade representative, Ambassador Hills, that we have some major concerns with the MOU and that when we meet later on this month at the first meeting I have of the trade commission between the United States and Canada, I propose to raise this matter, but at this point we do not have a consensus as suggested by the hon. member.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, obviously the minister's answer indicates the deep trouble that this government has got this country into when it signed away our sovereignty in forestry with the MOU.

My question to the minister is this. Will the minister tell Carla Hills and the gang that could not trade straight that this government rejects the MOU and will give the 30 days' notice and get Canada out of the MOU?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I will take the hon. member's suggestion as a representation, but as he knows this is a very complex issue. He asked a question concerning the Atlantic provinces. Atlantic Canada is not subject to the export charge and I think that for him to be honest with Canadian people he should understand that their position on the MOU is quite different from other provinces.

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EMPLOYMENT

Hon. Alan Redway (Don Valley East): Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs I will direct my question to the Acting Prime Minister.

Unemployment in the greater Toronto area is now almost 10 per cent. That is over twice what it was last year at this time. A great many of those jobs could have been saved if we had had a U.S. style Chapter 11 bankruptcy law in place.

I would like to ask the Acting Prime Minister this. How many more jobs are we going to have to lose and how many more businesses are going to go down the tube before we get modern bankruptcy legislation in this country, bearing in mind that it was promised some two years ago in the 1989 Speech from the Throne?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the hon. member is absolutely right. The Bankruptcy Act of Canada is in desperate need of being overhauled. Bills have been brought before Parliament I think some six times in the last 25 years in an attempt to do that and we are going to have one more try.

My colleague, the Minister of Consumer and Corporate Affairs, will be bringing forward that legislation in the next few days. I think the hon. member will find that it goes a long way toward addressing the kinds of situations that are addressed in the United States Chapter 11.

HIGHWAYS

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Minister of Transport. All members in this House are aware that the government is pushing ahead with the fixed link. Numerous studies have shown that the Trans-Canada highway in both New Brunswick and Prince Edward Island must be upgraded to four lanes to handle the increased traffic. There is no use in building a link for the year 2000 with roads that are 1950 and older.

When will this minister commit the necessary funds to ensure that New Brunswick has a four-lane Trans-Canada highway?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, in this period of high constraints on the budget, the federal government has to manage its money carefully, and at the same time ensure that it meets its commitments with the various regions of this country.

Mr. George S. Rideout (Moncton): Mr. Speaker, my supplemental is directed to the Acting Prime Minister. Premier McKenna has stated that people are literally dying to get an up-graded Trans-Canada highway in New Brunswick. They are dying by the dozens and there are thousands of accidents each year. Newspaper headlines are revealing and I quote: "Highways Claim Five on the Weekend, Two More Die on New Brunswick Highways, Fatality Closes Trans-Canada Highway, Woman Dies in Accident Involving School Bus, One Killed in Car-Truck Crash" and just this weekend another death. When is this government going to assume its national responsibility and provide a four-lane highway for New Brunswick?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, in the enumerating the problems that my hon. colleague has just mentioned, I think if he looks carefully he will find that a vast number of these concerns should be addressed to the provincial government.

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GOODS AND SERVICES TAX

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is for the Acting Minister of Finance.

Last week we learned the government's GST raised $400 million more in just 90 days than it was supposed to, a substantial hike for a tax that was supposed to be revenue neutral.

Last night the Minister of Finance said: "Canadians generally have made it fairly clear they do not want any new tax increases."

My question is this. Does this mean there is now some hope for my constituents that there will ever be any relief for middle class taxpayers? Is the GST a cash cow and, if it is, who is getting the milk?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as most middle income taxpayers in this country have informed me, they want the federal government to start paying the bills so that the kids of the future will have a wonderful country in which to grow and have their own families and employment.

We have to pay the bills that have been rung up over the years by the government. We have been living beyond our means. Any excess moneys will go into a reduction fund. In reducing the deficit we will be reducing interest rates and we will be making it unnecessary for us to raise taxes when we do have that income. I think all that is very important and that is what our whole tax system is designed to do.

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OFFICIAL LANGUAGES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Acting Prime Minister.

Last week Environment Canada sent a 16-page pamphlet to every home in Canada. It was distributed only in French in Quebec and only in English outside Quebec.

[*Translation*]

With the result that 800,000 francophones outside Quebec had their linguistic rights denied and an equal number of anglophones in Quebec were similarly discriminated against.

Mr. Speaker, why did Environment Canada disregard the Official Languages Act?

[*English*]

Why is the government retreating on its commitment to official languages?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, this pamphlet was distributed in connection with a television show that was on TV last night both in English and French concerning the environment. I think it met with some success. Environment Canada co-operated with this effort. We did not have the direction of it. We offered some support and were happy to do so.

I also want to point out that this does not mean that because there was private sector participation that this was an endorsement of any product of any kind, but rather a co-operative effort. I understand that the pamphlet was distributed in French in the province of Quebec. After we found out that was the case, we were told that it would be made available in English on request. We hoped that was the case.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have here the cover of the pamphlet and it is clearly marked Environment Canada. Whether it was prepared directly by the department or not, I believe the department should not have permitted such information to be distributed under its name in violation of the Official Languages Act.

I would like to know what the minister will do to correct this affront to Canada's language minorities and to assure it does not happen again?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I appreciate the concern the member is bringing up and we take that concern seriously.

We are witnessing here some of the difficulties we run into from time to time when we want to do these initiatives in partnership with the private sector and many partners. These are part of the difficulties we run into.

I do not think there is any bad faith on anybody's part here from those who distributed the pamphlet. There was a sincere willingness to do this effort in a co-operative manner.

I will take the member's representations constructively and I assure him that we will learn from this lesson and, if anything, look at these initiatives a lot more closely in respect to how we deal with them and distribute information to the public.

TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister for International Trade.

Prior to the Canada-U.S.-Mexico talks, a number of American spokespersons have announced that they intend to reopen the Canada-U.S.-Mexico free trade talks relative to cultural property of Canadians.

• (1450)

In his meeting this week, is the minister prepared to tell all Canadians that if the Americans intend to open the U.S-Canada Free Trade Agreement to get new access to Canadian property rights, he would get up and walk away from the table rather than meet that condition?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member is saying that if the Americans suggest they want something from the free trade agreement and if we are not prepared to give it, we should walk away.

I think that is a very short-sighted view. We see some benefits in the North American free trade agreement, but not nearly to the same extent as the free trade agreement with the United States. Trade with the United States totals about $200 billion. It is only $2 billion with Mexico, but there are longer term benefits.

I have made it very clear in discussions I have had with Mrs. Hills, Mr. Katz and with other people in the U.S. administration what our policy is on reopening the trade agreement in relation to cultural products. It is simply not on.

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, is the minister, as he spoke in answer to this question, saying to all Canadians that under no circumstances will he allow Canada to participate in a reopening of the U.S.-Canada Free Trade Agreement if cultural property from Canada is on the table, that it is an absolute "no", and he will not negotiate that issue?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I have said time and time again that we are not going to negotiate that issue. It is not in the interests of Canada to see the free trade agreement opened. In particular, we have said that the cultural industries are not the subject of negotiation. Mrs. Hills, Mr. Katz and the other negotiators are quite capable of putting things on the table. Just because they put them on the table does not mean we have to accept them. We are going to

bargain in the best interests of Canada, and we have made it very clear what our position is.

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CITIZENSHIP

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the Minister of Multiculturalism and Citizenship.

If ever the spirit of Canadian citizenship was important to our country, it is important now and will become even more critical of value as we work to preserve Canadian unity in the months that lie ahead. Many people say that we lost the meaning of citizenship in Canada, and that the spirit of Canadianism has been missed by many citizens.

My question is this. What steps are we taking to reinforce and strengthen the meaning and the spirit of Canadian citizenship as the over-arching mantle under which the rich potential of our bilingual and multicultural heritage can be pursued? How are we installing the values of citizenship among Canadians, not only new citizens, but all those who have been born here as well?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I want to thank the hon. member for his question.

It gives me an opportunity to demonstrate the very firm commitment that in the proclamation of the new department and in my responsibilities as the first minister of this new department, that I intend making citizenship, its promotion, its affirmation and its full expression one of the most important and in fact essential activities of this department.

This member has consistently come up with excellent suggestions on how we can better promote understanding among all Canadians. I visited with him in Fredericton on one occasion and saw an initiative that has been ongoing for 20 years.

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ABORIGINAL AFFAIRS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs and concerns the government's relationship with aboriginal people.

As he knows, the Assembly of First Nations is meeting this week in Winnipeg and it was to be followed by an event called the People's International Pow Wow. The Department of the Secretary of State has turned down this proposal and I was wondering, given that this sends out a very negative signal to aboriginal people at a time when they are hoping to attract 15,000 people to a pow wow, if the minister would not reconsider this decision on behalf of the government.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I will take a look at it.

I have to say that I had a very constructive meeting the other day with Mr. George Erasmus, who is the outgoing president of the AFN, and I look forward to having similarly constructive meetings with whoever is chosen to take his place, the membership and leadership of that and other aboriginal organizations. I understand very much the importance of participation by non-aboriginals in some of the ceremonial activities of the aboriginal people. I think that is something we all in this House must consider doing more than we have in the past.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same minister and it also regards the relationship of this government to aboriginal peoples.

As he probably knows, during the weekend at the initial meetings, the Assembly of First Nations discussed a need for review of Canada's judiciary system. This review has already been started in Nova Scotia, Manitoba, Saskatchewan, and Alberta but up to this point the federal government has refused to initiate a review of our judicial system as it relates to aboriginal people.

Would the minister indicate whether or not the government will change its decision on this matter?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canda and Minister Responsible for Constitutional Affairs): Mr. Speaker, I look forward, as do my colleagues, the Minister of Indian Affairs and Northern Development and the Minister of Justice, to continuing a series of meetings with aboriginal leaders, including

the newly elected leadership, the leadership to be elected tomorrow of the AFN.

Naturally if they bring to us matters that were raised seriously in their assembly we will consider them very seriously.

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SELF-EMPLOYMENT INCENTIVE PROGRAM

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Employment and Immigration and refers to the Self-Employment Incentive Program which has proven extremely successful in my area in helping people off unemployment insurance, so successful in fact that the funding has already run out for 1991.

Will the minister redirect funding or make funding available to this program which has proven so successful in helping people off of unemployment insurance and into their own businesses.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I know that the Self-Employment Incentive Program is a successful one. As for the matter of budget, I can look into the regional allocation in the hon. member's province to determine whether or not we can reallocate within the fund to meet the requirements of his riding.

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EMPLOYMENT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, my question is for the minister for youth.

Various government departments have responded to a job-hunting Nepean student and I would like to quote from three of the many letters that he received: "—budgetary restrictions have had a serious impact—including the summer employment program—" Quote number two: "—I regret to inform you that our office is not participating in the COSEP program this year". Quote number three: "—sorry to advise you that our office will not be hiring students in the summer of 1991".

Why is the minister stating one thing in this House while officials in various government departments are stating another?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, perhaps the hon. member would do me the courtesy of sending copies of those letters to me so that I might look at them. I will certainly respond to her.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I would be pleased to send those letters to the minister.

Students cannot support themselves on platitudes. Because of the government's cuts in transfer payments, tuition is up, GST is on books, rent is up. It stands to reason that if the budget allocation remains the same there will be fewer jobs.

Will the minister assist Canada's unemployed youth and introduce today a comprehensive assistance program?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, as the hon. member knows, or should know, there is a debate on this question today. I invite her to participate in the debate and ask the appropriate questions at that time. I have already indicated in my speech this morning that the funds have not been cut with respect to the Challenge program. They have been increased, and some of her own colleagues admitted that.

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TRADE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, my question is for the Minister for International Trade who later this week will begin the talks with Mexico and the United States on a free trade agreement. He will also be well aware of the North America Water and Power Alliance proposal to divert Canadian rivers into the American southwest and northern Mexico.

Will the Minister for International Trade say today categorically that this government will never allow the

transfer of Canadian fresh water by interbasin transfer to the United States or northern Mexico, ever?

• (1500)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): The hon. member uses the word "ever". I am not going to be around here forever. I am not aware of this particular agreement to which the hon. member is referring. If he would give me an opportunity to brief myself on it I will give him the answer.

* * *

POINT OF ORDER

QUESTION PERIOD

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I rise on a point of order to report a breach of the Standing Orders. Referring to section 37(1) and also the same rules in Beauchesne's Parliamentary Rules, section 409 says that a preamble need not exceed one carefully drawn sentence. Section 410 states that supplementary questions require no preamble.

Mr. Speaker, of 35 questions asked today, it is hard to tell exactly but it looks like almost 30 questions were in breach of those Standing Orders. I would just like to comment that if all members kept their questions according to the rules as outlined in the Standing Orders and in Beauchesne, we would all have more questions.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the Hon. John Richard Johnson, President of the Legislative Council of New South Wales, Australia.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

COMMENTS DURING QUESTION PERIOD

Ms. Sheila Copps (Hamilton East): During the course of Question Period I inadvertently stated that we have the highest taxes in the world. Mr. Speaker, I misspoke myself and what I should have said was that we have the fastest rising taxes in the western world. I wanted to correct the record.

ROUTINE PROCEEDINGS

[*Translation*]

INTER-PARLIAMENTARY DELEGATION

TABLING OF EIGHTY-FIFTH REPORT OF INTER-PARLIAMENTARY CONFERENCE

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, pursuant to Standing Order 34(1), I have the honour to table in the House, in both official languages, the report of the Canadian group of the Inter-Parliamentary Union. This report was drafted by the official delegation representing Canada at the 85th Inter-Parliamentary Conference held in Pyongyang, Democratic People's Republic of Korea, from April 29 to May 4, 1991.

[*English*]

Madam Deputy Speaker: It would be useful to the Speaker if people who are not seeking the floor would sit down. It is very difficult to know who is seeking the floor or not. Thank you.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-228, an act to amend the Criminal Code (mental disorder).

He said: The purpose of this bill is to update the provisions of the Criminal Code with respect to mentally disturbed accused persons. The bill is, in fact, not of my own authorship. It was one that was proposed in a white paper prepared by the Minister of Justice about three years ago. The hon. member for St. John's East was the Minister of Justice at that time, which gives some indication of the age of the document. But nothing has been done on the issue since that date.

The bill is introduced for the purpose of moving this issue along with some speed. I would hope that the government might consider referring the bill to a committee so that it could be studied there and enacted at an early date. This might assist the government in its dealings with these persons as a result of the Supreme Court of Canada's recent decision on this issue.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

COMMEMORATION OF THE BIRTHPLACE OF CONFEDERATION ACT

MEASURE TO ENACT

Mr. George Proud (Hillsborough) moved for leave to introduce Bill C–229, an act to commemorate the birthplace of Confederation.

He said: Madam Speaker, at the 1864 conference in Charlottetown, a feeling of anticipation and hope was born. This bill will fulfil the mandate by promoting symbols of a united Canada with plaques and other signs to mark sites and buildings of the Charlottetown Conference. This is a wonderful opportunity to showcase a very special event in our history while pointing toward our common goal of unity.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Lloyd Axworthy (Winnipeg South Centre) moved for leave to introduce Bill C–230, an act to amend the Criminal Code (ministerial review).

He said: Madam Speaker, this bill is designed to deal with some of the more serious breaches of judicial review that we have seen in recent years. I speak specifically of the David Milgaard case and the Don Marshall case, where applications were made to review cases that were held up many years and there was serious questioning about the application of objectivity and independence.

This bill would propose the amending of the Criminal Code to have a special council appointed by the minister to review all these kinds of applications for reconsideration of criminal matters or cases of this kind and would provide an objective, independent review of the case.

Motion agreed to, bill read the first time and ordered to be printed.

FAMILY ALLOWANCES ACT

MEASURE TO AMEND

Hon. Lloyd Axworthy (Winnipeg South Centre) moved for leave to introduce Bill C–231, an act to amend the Family Allowances Act.

He said: Madam Speaker, this bill is a proposal to amend the Family Allowances Act to deal with perhaps one of the most shameful aspects of Canadian society; the extreme poverty faced by many women with children.

The Senate report that was just released a few months ago points out that close to 900,000 Canadian children live below the poverty line. What is quite clear from that report is that much of it begins in the period where pregnancy begins.

This act is designed to amend the Family Allowances Act to provide payment of the family allowance during the last six months of pregnancy to many women subject to certain conditions, and I recommend it to the House.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1510)

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I move:

> That, pursuant to Standing Order 27(1), the House continue to sit beyond the ordinary hour of daily adjournment, until 10.00 p.m. on June 11, 13, 17, 18, 19, 20 and 21, 1991.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, there has been some discussion among representatives of the parties, but of course the government has the right under the Standing Orders to proceed today with extending the hours.

I would hope that perhaps later today the parliamentary secretary or the government House leader could indicate to the House, in view of the extension of the hours which will take place on June 11, 13 and 17, 18, right through to the 21st, the bills that will be called, the motions that will be debated on the floor, in order to inform the respective critics of our party so that they can be here to participate.

Members on this side are willing to co-operate with the government, as we have demonstrated time and time and time again, Madam Speaker, but we would like to have some firm indication as to what the order of business will be for the remaining days to June 21, 1991.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, in that same spirit, we are certainly anxious to support this suggestion. I wonder if we could, simply as a matter of courtesy, ask the government House leader if he would not mind indicating, at least, as we understand today, and for the next foreseeable few days an outline of the business. This would facilitate dealing with the business of the House in a most expeditious manner and allow predictability and planning for all members as well, in terms of votes and participating in the important debates.

Mr. Andre: Yes, Madam Speaker, subject to of course, negotiation with the opposition House leaders and others, it would be my intention to call Bill C-20 tomorrow morning and Bill C-11 tomorrow afternoon. Wednesday and Thursday would be allotted days. In terms of the other bills, for the remaining period until the summer recess, I hope that at our regular Tuesday House leaders' meeting we will be able to agree to a calendar and agree to bills that could be dealt with over that period of time.

Madam Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

PETITIONS

CANADIAN BROADCASTING CORPORATION

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I have a petition to present, and it is important for a number of reasons. I have 255 communities in my riding and the signatures on this petition represent about 15 per cent of those ridings. It contains about 125 signatures, so it gives you some indication of the total support that this particular petition has.

It really talks about the Canadian Broadcasting Corporation and its historic key link to the culture of Canada and particularly to the Atlantic provinces.

They are very disappointed and very concerned with the recent cutting of the program *Land and Sea*. It was a great reflection of Newfoundland, the Atlantic and indeed Canadian culture from the maritime viewpoint and from the viewpoint of the land.

They are calling on Parliament to ensure that CBC programming remains intact and in particular that the local program *Land and Sea* and local programming in Atlantic Canada be maintained.

HUMAN RIGHTS ACT

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition signed by several hundred people from coast to coast which calls on the Government of Canada and Parliament to act to bring the Canadian Human Rights Act in line with those of Quebec, Ontario, Manitoba and the Yukon, by prohibiting sexual orientation as a grounds for discrimination.

ADOPTIVE PARENTAL LEAVE

Mr. Derek Blackburn (Brant): Madam Speaker, I have the honour to present two petitions this afternoon. The first relates to Bill C-21 and would require the government to review Bill C-21 with regard to adoptive parental leave—considering the literature that deals with the adoptive process, the bonding process, needs and rights of adoptive families, proper terminology in adoption, and discussion with adoptive families—and cause the government to change Bill C-21 so that all parents, whether biological or adoptive, receive the same paid leave of 25 weeks to spend time with their new children.

COMMEMORATIVE STAMP

Mr. Derek Blackburn (Brant): The second petition I also have the honour to present asks Canada Post to strike a stamp commemorating the life and work of Marie Curie. I was always under the impression that Marie Curie was a French woman. She was by choice, but she was born in Poland and her name was Marie Sklodowska. The signatories on this petition call upon Canada Post to strike a stamp commemorating the great contribution that this woman made to the world of science and to the practice of healing.

Point of Order

CANADIAN FLAG

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise to introduce a petition signed by numerous residents of Kingston and The Islands who call upon Parliament to pass a bill to make it an offence to desecrate or destroy the flag of Canada.

I note that the hon. member for Scarborough East introduced such a bill last Thursday, the same bill as he had introduced in the previous Parliament, and I commend him for his efforts.

I hope that the parliamentary secretary to the government House leader, who is being vociferous at this point, will support the hon. member for Scarborough East and move forward his bill the way he does so enthusiastically with government bills.

TAXATION

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I have the pleasure today to introduce a petition from residents of the Prince George, Vanderhoof, Port Fraser, Fraser Lake and Burns Lake area, about taxation, specifically the goods and services tax.

These petitioners call on the government to reform the taxation system so that there is an effective minimum tax on wealthy individuals and corporations.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my honour to present a number of petitions.

The first petition is from a number of my constituents from Kamloops and some neighbouring communities who are concerned about the government's seeming intentions to cut back on Royal Canadian Mounted Police services. While we acknowledge the fact that the government has reinstated funding for at least one more year, the petition encourages the government to continue with its present level of support and not pass the cost along to the local taxpayers, in other words municipal taxpayers, or worse yet cut back with the resulting lack of services.

GOODS AND SERVICES TAX

Mr. Nelson A. Riis (Kamloops): The next petition is again on behalf of a number of people from British Columbia. It points out their ongoing concerns with the goods and services tax and the fact that there is still a tax on literature. They are perplexed as to why the government would want to tax reading material. They are calling upon the government to drop this part of the tax and introduce a real tax reform with a balanced approach that would do away with the GST.

WAGE CONTROLS

Mr. Nelson A. Riis (Kamloops): The last petition is on behalf of a number of federal public employees from the following departments: Justice, Public Works Canada, Parks Canada, External Affairs, Statistics Canada, Canada Post, Indian and Northern Affairs, CMHC, Agriculture, Labour Canada, National Health and Welfare, Department of Defence, CEIC, Transport Canada, Environment Canada, Revenue Canada, Customs, Fisheries and Oceans and actually others.

• (1520)

I think you get the picture. They are concerned that the government has imposed a zero per cent wage hike ceiling on federal public employees for 1991 and point out that a substantial increase was given to members of Parliament. If we are going to give an increase in pay to one group of people involved in the federal government, it should be to all employees.

* * *

POINT OF ORDER

IMMIGRATION

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, very briefly while the government House leader is here. He will be aware that the Secretary of State of External Affairs said on May 28, 1991, and I quote:

> We have said from the beginning that we would produce all of the people and all of the relevant materials to the extent that it is possible. I have given this House my commitment on that from the very beginning, and the hon. member knows it.

On May 30, 1991 the Deputy Prime Minister, the Minister of Finance said, and I quote from Hansard on page 822:

> I have no objection to that, but surely it is a matter that should be properly questioned at the committee where all the witnesses they require and/or demand will be available to respond.

I have not had an opportunity to review the "blues", but I understand the Minister Responsible for Constitutional Affairs has now put a caveat and somewhat of a restriction and it now will be up to the entire committee to decide what witnesses will appear or not appear.

I am wondering if the government House leader can shed some light on a very important undertaking which was given to this House by two senior members of cabinet?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I wonder why the House leader could not get himself on the Question Period list today which he submitted to the Speaker. Some member of his party was on it and asked those questions. They were answered as a matter of fact. I think the evidence will show, and anybody who has been watching will see, that in fact the government has been totally forthcoming in terms of allowing officials to come forward with all documents and so on.

I can understand why, perhaps, the opposition wants to go on with a bit of a continuous witch hunt. If you keep bringing people before the committee, even if they have nothing to do with the issue, you never know what is going to happen. I think we should leave all that up to the committee. I believe that is what the former Secretary of State for External Affairs in his capacity as Acting Prime Minister said, that the committee is looking into this thing, doing a fine job and why do we not let it continue with it.

Mr. Dingwall: Through you, Madam Speaker, to the hon. House leader. I want to thank him for his obvious, unequivocal and clear undertaking to subscribe to the statements which have been made by the Minister of Finance, the Deputy Prime Minister and, of course, the Secretary of State for External Affairs on May 28 and 30.

Mr. Andre: Madam Speaker, as was indicated, that question was asked in Question Period. It was asked last week. It does not become more legitimate when it is asked by way of a bogus Point of Order after Question Period.

He knows the answer. It has been given several times. Repetition of that order is in fact a little insulting.

Madam Deputy Speaker: I think the hon. member does know as well as I do that this is the type of Point of Order that is normally raised immediately after Question Period. We are now into Routine Proceedings. We have had a motion passed. We are almost finished with Petitions.

I have a difficult time to see how this is a Point of Order, honestly. I will recognize the hon. member, but I would like him to tell me which of our rules is not being followed at this time, and explain the Point of Order.

Mr. Dingwall: Madam Speaker, it is certainly not my intent to be disputatious, but it must be clear that the subject matter which I have raised on a Point of Order is of great importance for the continued deliberations of hon. members in this particular House, as well as those hon. members who serve in another committee. Madam Speaker, I appreciate your bringing to our attention the fact that this was not raised at a more timely occasion than when I did raise it. I wish the record to show that I believe the government House leader was involved with some discussions with the Solicitor General. I thought it a courtesy that I would wait until those deliberations had been completed.

In point of fact, I believe the hon. government House leader was vacating the Chamber when I summoned him to remain in his chair so that I could raise the point of order. The matter has now been resolved. I clearly accept, through you, the undertaking of the government House leader that he will abide by the statements made by the Deputy Prime Minister and the Secretary of State for External Affairs on May 28 and May 30.

Madam Deputy Speaker: We will resume Petitions.

* * *

PETITIONS

WAGE CONTROLS

Mrs. Beryl Gaffney (Nepean): Madam Speaker, I would like to present, pursuant to Standing Order 36, a petition signed by many people of Quebec, Ottawa, Nepean and Kanata, with regard to the high interest rate, the high dollar policies and 33 new tax increases since September 1984. They are saying that the government is taking the purchasing power away from consumers and this will only deepen and prolong the recession.

They also deplore the fact that the Conservative federal government intends to impose a freeze on the federal Public Service wage increases for fiscal years 1991 and 1992. They feel that the government is taking away their collective bargaining rights.

These petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 81—UNEMPLOYMENT

The House resumed consideration of the motion of Mr. Parent (p. 1319).

Mr. John E. Cole (York—Simcoe): Madam Speaker, as I was saying before—we were interrupted an hour and a half ago—right now this is a very difficult time for students heading into the summer job market. Most of us are cognizant of that fact.

I for one am very pleased with the government's response in trying to assist these students and help them into the job market.

We are making the best use of the resources we have at hand. Right now in Canada we have about 400 Canada Employment Centres that last year provided opportunities for about 270,000 workers. In my particular area we have about 17 employment centres and last year they provided approximately 11,000 high school, college and university students the opportunity to get jobs in their particular areas. One thing that is very important is the Canada Employment Centres are working very, very hard.

One of the things they are doing is helping kids to beat the odds when it comes to employment by teaching them how to look for work. Today, it is not a question of banging on doors, asking for jobs, and the doors opening. It takes a more sophisticated approach. We are teaching our students and young people how to prepare themselves for a job interview and how to prepare a good resumé.

I think that is very important to them not only for this summer but for the future when they are applying for more permanent jobs at different other times in their lives.

Canada Employment Centres are only part of the bigger picture. I think that is one of the things we should be talking about today because thousands of post-secondary students across Canada have found summer jobs through COSEP. In fact this year already in my particular area there have been over 900 students who have already found jobs under this program. In Ontario alone this year, under Challenge '91 over $18 million is going to be spent on employment programs for students including SEED, the kind of program that is going to help students not only this year but in the future. These programs—and last year just in Ontario alone there were over 9,500 of them—help students get experience in a job market they are often related to or interested in.

• (1530)

I think that is very important because we have increased our resources in Ontario for this co-op education under the Canadian Jobs Strategy Program. That is a very popular program and without it many Canadians would not be able to finish their university education. When you look at those kinds of numbers and those types of programs, that is very important to the youth of our nation.

The question of summer jobs, as I mentioned, is only one concern of this government's youth initiatives. Our interest in youth employment goes well beyond how many jobs are available this summer. That is the simplistic answer, and that is the simplistic part of it.

We are focusing on meeting the long-term needs of many young Canadians, those who need help the most. In the 1990s job market, those youths are facing a lifetime of employment problems, not just this summer.

When we look at the programs offered by Employment and Immigration Canada, we see that it is going to play a major role in ensuring that these young people get the employment skills, the education and the training that they need. Programs like Job Entry are working very

successfully to give this group the employment skills that they need.

In metropolitan Toronto, there is more than $6 million being employed in the Canadian Jobs Strategy to help unemployed youth. This program targets those who have left school and who are trying to enter a very tight labour market, frankly, with very few if any training skills, marketable skills and the things that are necessary to land and keep a job.

Under the job entry program, these young people will gain employment skills and classroom training aimed at long-term employment.

I was at one of these centres not too long ago. These centres are providing youth with assistance, providing them with the ability to choose the type of career that they might be interested in, and providing an opportunity for them to get into a career. Those kinds of programs are working very well.

That is a co-operative type of program between the private sector, government, institutions and municipalities. Those are very substantive programs, and I think they help an awful lot.

Some of the things that we are doing for our youth are also directed to those young people, those Canadians who have simply run out of options.

One of the difficulties when you look at Canadian youth today—you often see them, Madam Speaker, when you visit our larger metropolitan centres from coast to coast to coast—is that there are children who are just lost in the system. They are not able to find their position in society.

When we look at the different backgrounds, whether they come from a broken home or from a ghetto-type of society which is poverty based, I think that we have to really consider and address the future that these children have.

When you combine that poverty factor and the low educational factor of these children who have dropped out of school, we are really looking at a very serious difficulty, and not just for the immediate short term but in the long run.

These Canadians are on the margin of society with no way to get back into society. They want to be contributing members, but frankly there are not a lot of people who want to take a chance on these young children.

I firmly believe that the actions and the activities that this government is taking are really going to help this generation and this group of people. I know that the Minister of State for Youth is very dedicated and very committed to this particular mission.

There are a number of programs right now in the metropolitan area which I represent that are going on for these youths who are severely employment disadvantaged. Many of these projects will provide the kind of assistance that will help these young people get better employment and better training.

If we can do that, it does an awful lot of other things for these children, because it gives them an outlook on life. It gives them a future. It gives them something to look forward to.

I know that the Metro-Youth Job Corps is one of their programs. It seems to work very well and it has been very efficient. It is not focused on short-term benefits. These children who are involved in it are getting a chance to learn generic job skills, valuable life skills that will help them to help themselves.

If we can do that, we are doing the kind of work that is really necessary for a government. If we can instil that sense of accomplishment, that sense of success in these young people, then they will go on and have a sense of purpose and a goal in their life. If we can do that, I think we will have been very successful.

Up until now, of the young people who take part in these programs, about 70 per cent go on to find permanent employment. These are young people who have had very difficult times in their backgrounds. It is really great to see that kind of result coming out of those kinds of programs.

There is another program. That is work done by the Kensington Youth Theatre ensemble, which one would think would not have too much to do with youth employment. However, if you look at the program, they learn how to be carpenters, how to be plumbers, learn other kinds of skills, writing skills, and team building. Those are the kinds of opportunities that our young Canadians are looking for.

The other thing this government is doing very substantively is encouraging Toronto kids and Ontario kids and Canadian kids to stay in school. One of the things that is very disturbing, I think, to all Canadians, particularly those in government, is the fact that 30 per cent of our

youth are dropping out of high school before they finish their high school education.

That is roughly about the same number that goes on to finish university education. I do not think that is a very good ratio. That is something that is really heartbreaking and it is a loss of human potential for Canadian society. We just cannot afford to let those numbers continue. We have to get these children back into school to get the education required to be better citizens of Canada.

That is why I support the stay-in-school initiative. It is something this government is doing to tackle this problem and to not accept this totally unacceptably high dropout rate. This stay-in-school initiative is intended to encourage young people to stay in school and complete their education so that they will be better equipped to enter a highly competitive labour market.

Looking at these kinds of programs, such as the work orientation workshops under Challenge 91—another program to help those children who have recently dropped out of school and are now at risk because of the fact that they do not have that graduation certificate—this powerful combination is an effective technique for providing recent and potential dropouts with new options. By providing them with practical work experience related to their career choices, young people are learning the skills to become productive members of Canada's labour force.

This program also gives our youth a realistic picture of the world at work. I can assure this House that a glimpse of life at the minimum wage of $5 is not going to be too exciting to a high school dropout when they realize that by staying in school, they can get a much better, much more productive and much more rewarding job.

We estimate that we are looking at about 30 projects under the work orientation workshop in Ontario. I think that speaks for itself. Over 400 students will be able to take part in this program.

Our youth programs reflect our national commitment to ensure that Canadians continue to enjoy the benefits of a globally competitive economy. However, our prosperity depends on improving our ability to compete and improving the levels of skills held by all Canadians.

Canadians are now becoming more aware of the extent of the employment challenges facing all of us. One of the factors is that fewer young people are entering the labour force, compared to the baby boom years, and they just do not have the training and skills needed for some of the jobs that are available today.

That means that our young Canadians will not be able to provide all of the new skills that the economy demands. New skills requirements will also have to be met by retraining people who are already in the work force.

Canada's youth will continue to be an important part of the learning culture we are building, but it is a lengthy and a complex process in a country as diverse as ours. By working with young Canadians, we are already pursuing one of the most important first steps in this process.

I am confident that the youth programs this government has followed will provide a foundation for a strong and very competitive Canada.

• (1540)

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, first of all I would like to say that the member for York—Simcoe, who has just finished giving a very passionate address, knows of the respect in which I hold him.

However, I want to make a couple of comments and ask a specific question. First of all, I certainly agree that the Government of Canada is trying to teach our youth how to take a much more sophisticated approach to looking for a job. He talked about a career oriented approach. He talked about the preparation of good resumés. He talked about all of the things that would hopefully make looking for the desired work a more satisfying experience.

Does the hon. member not realize that even with the best skills and the most sophisticated resumé—and he knows from his own riding and certainly the greater Toronto area—that the $6 million for the metropolitan area really only works out to about $15 per student who is looking for a job right now.

Second, does he not realize that the problem is not with our youth who have the sophistication, the work ethic and who want to go out and do something constructive rather than sit at home for the summer? Does he not realize, and I am sure he does, that the real problem right now is that our housing industry has basically been frozen in the province of Ontario, especially in his own

region? Does he not realize that, because of problems we are having—not just the GST but other costs in general—that our tourism, food services and hospitality industry has basically shut down? When many of these youths apply for jobs this year, there is just nothing there. There are no jobs right now for carpenters. There are no jobs for plumbers. There are no jobs for youths who drive trucks, dump trucks or whatever.

My question is, what do we say to those youths who go door to door, business after business? It does not matter whether it is a restaurant or a construction site or a lodge in northern Ontario or whatever. What do we say to those sophisticated youths who are right now getting shut out everywhere they go?

He must realize that the problem is not with our youth. The problem is that we have to figure out a way, in short order, to get confidence back in our small and medium-sized business community, which represents 80 per cent of the jobs, especially in our province. We have to get that industry fired up so that it in turn will have the confidence to meet that payroll, which in turn will give those youths a job. What does he say to those youths who are getting shut out everywhere they go right now in spite of many good government programs?

Mr. Cole: Madam Speaker, I want to thank the member for Broadview—Greenwood for his comments and his questions.

One of the things about the member for Broadview—Greenwood that I have always been impressed with is that he is often willing to provide suggestions and alternatives. I think that is a constructive type of opposition and a constructive type of government, which we should be looking at more and more often. I really respect the member for that.

He mentioned a couple of things I want to comment on. One was the limited number of dollars the federal government is spending. The member opposite knows the problem of budget restraints and knows the problem of the deficit and the debt we are facing. I do not think the youth of our country want us to say: "Here is a handout for a job here. Here is a handout for a job there. It is going to look after you for the next couple of months, but you are going to pay for it for the rest of your life". I think the hon. member could agree with me on that.

I do not think those kinds of programs are what is necessary. I think it is important, and I agree with him that it is not a problem with our youth. Our youth of today want to get jobs. They want to work and they want to contribute. I think he is quite correct that there is a malaise in the small business community, particularly in Ontario. In fact there is a frustration in the small business community right now. One of the things they are finding difficult is a provincial government that is really harnessing in on them. It is not giving them any opportunities to be productive. It is not giving them any opportunities for new employment, for new construction, for some of the things that we have talked about. Because of some of the things it is doing, there is no incentive for that land owner to build an apartment building and hire a bunch of students for the summer who could do some of the plumbing and some of the roughing in work and this kind of thing.

Fortunately, in our area, the construction industry does seem to be starting to come around now, but it is a very slow process and these small business owners who are involved in this kind of thing are very, very frustrated. They cannot even decide whether they are going to work Monday to Friday or Tuesday to Saturday or just what it is going to be. They are passing that buck back.

The small business owner today in Ontario is facing a lot of burdens with increased taxes and a deficit that they do not know where it is going. It is very difficult for that small business owner. But I hope that the small business owner is going to be able to see his way through and provide some of these jobs. I know that one of the things youth will do is take a chance. They are willing to say: "Hey, I will work a little extra hard this week or today and work for a little less because I want to make a success of it." I know our Canadian youth will make a success of it.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I listened with interest to my hon. friend who suggests that the small business community is having a difficult time in the province of Ontario.

I want to tell him that the small business community is having a difficult time beyond Ontario and in British Columbia things are not very encouraging. They are not very encouraging in Saskatchewan, Alberta, Quebec and Atlantic Canada. So I do not think we want to focus in fact by suggesting that in one province things are significantly different.

But I do want to ask my friend a question. For this year's Challenge '91 program, I must have had 300 or 400 or even more small businesses who wanted to participate in the program. Some staff people had to phone about 240 of those small businesses and say: "I am sorry, there is nothing we can do for you." They wanted to hire a student or sometimes two or three students, but literally, for all intents and purposes, almost all of those small businesses had to be phoned and just told: "Listen, there is no funding. We cannot include you in this student employment program for the summer."

My question is to my hon. friend. I know he is a sincere individual and it is not a critical comment that I am levelling at him, but would he not think it would be a good investment, in terms of investing in Canada's most important natural resource, to say to small businesses that if you are interested it will make a difference for you to hire a student this summer, we would like to participate with you? Would he not think that would be a good way to invest taxpayers' money?

Mr. Cole: Madam Speaker, I thank the hon. member for his question.

The reason I was referring to Ontario in my previous answer was the fact that that was how the question was directed to me and I thought it was best to respond to the question. It is one of the things I try to do. I know a lot of members have difficulty with that at times, but I was trying to relate to the question as it was asked. I was not referring or suggesting that it was going to be easier in any other part of the country.

But I do want to recognize the member's question. He said that the government is not taking part. I think the member also knows that the federal government put $80 million into the SEED program this year in co-operation with small business to help create summer jobs. I think $35 million was put into the WILD program.

So you have to look at that kind of thing and you can separate and pick out one part of it or another part of the program or the different programs and say: "Well this program was reduced". I am not going to suggest to the member that it was not reduced, but there are other programs that have been increased at the same time.

I think it is only fair that you look at the over-all budget and at the over-all programming. I think the efforts by the government to provide this kind of encouragement to our youth is very, very positive.

• (1550)

Mr. Nelson A. Riis (Kamloops): Madam Speaker, pursuant to Standing Order 43(2) I would like to share my speaking slot with my hon. friend from Prince George—Bulkley Valley.

First of all, let me begin by indicating what we are actually doing here today. We are responding to an opposition motion that this House call upon the government to implement immediate measures to alleviate the devastatingly high rate of unemployment amongst Canadian youth.

In other words, we are appealing to the government to do something about a situation that I suspect many people would consider to be immoral, to be completely unacceptable, to be wrong. We are saying to the federal government that as we look out across the Canadian landscape there are thousands, tens of thousands, hundreds of thousands of young people who do not have a job in one of the wealthiest countries of the world. For that to occur we should be considering that to be not only unacceptable but immoral. What we are saying is that we are abandoning those young people. We are saying to those tens of thousands of young people "watch television or whatever, sit around and chit-chat with your pals; we are not interested in you participating in Canadian society in a meaningful way and participating in the building of the country". That is what we are saying, Madam Speaker.

But let me be more specific; that is what the government is saying, because as we have heard there are all sorts of proposals, all sorts of ideas from a number of speakers in the opposition. I think it is time that we acknowledged the fact that the most important natural resource in this country is not codfish, oil, gas, coal, wheat or trees; it is the people of Canada and particularly the young people of Canada. We should be investing in that natural resource, developing that natural resource, encouraging and nurturing that natural resource, like we have never done before.

What are we doing? Virtually nothing. I know the government will say "we have this ZIP program and SEED program and ZET program, and so on". But that is not even touching the surface of the problem, it is not beginning to resolve youth unemployment this summer. I have two sons, one going to university and one finishing high school. They are out trying to find summer jobs. There are all kinds of jobs that they can line up for, but they apply and there are 200 other young people applying for that same single job. It pays $5.50 an hour. They have to raise funds to continue their studies at universities, colleges and technical schools, and so on. Their friends are the same.

It is very frustrating for these young people to ask: do people not care? Does this country not care about us? Does the government not care about us?

That is why I put the question to one of my colleagues on the government bench. I know in my own constituency of Kamloops, when it came to the Challenge '91 program, we had applications from businesses, large and small, applications from non-profit societies, applications from municipalities and regional districts and hospitals and colleges that wanted to participate in what they thought was a government program to hire young people. They were prepared to put up good money and have the federal government match it, or in some cases ask the federal government to provide the meaningful job for a young person in an art gallery or in a municipality in an activity of one kind or another.

We had to reject almost all of the applications because we did not have enough money. We probably could only meet probably 20 per cent of the applications, and that is a business that would ask for three positions. "We can employ three young people", and they get one. Or a non-profit organization is prepared to hire seven young people to run a nursery program for single parents and we could maybe find two people for that particular group.

So there are all kinds of jobs out there. I think it is about time that the federal government says it wants to participate, in most cases with the provincial jurisdiction, and provide those meaningful summer jobs so that young people can go out and work in the summer and permit them then to return to school and their studies in the fall, having participated in a few weeks of work, to say nothing of part-time work, or to say nothing of all of those tens of thousands of young people who are simply unemployed, who have less schooling for a variety of reasons. Perhaps they have even graduated from secondary school or graduated from college and simply cannot find a job.

As we saw earlier, Madam Speaker, that is resulting in 16 per cent of young people between the ages of 15 and 25 who want to work and cannot work. There are no jobs. It is 16 per cent. I will tell you that there are many countries in the world that would not tolerate that. They would consider that to be the basis of a crisis that had to be addressed.

I remember something that occurred in Sweden not too many years ago. As you know, Madam Speaker, Sweden has practised many of the traditions of social democracy no matter what government has been in place, essentially that mentality continues on.

They looked out and saw what was happening in their country. They saw to their astonishment that 11 per cent of Swedish young people were unemployed. The Conservative government of the day in that country said: "This is wrong. This ought not to be. There ought not to be any young people out of work."

It said: "Within three years, we want to implement programs to ensure that every single one of those young Swedish men and women are meaningfully employed or involved in training or education programs of one kind or another." It set out to do that.

It created programs to encourage small businesses to hire young people on training programs. It encouraged young people through increased bursaries and scholarships to attend technical, vocational schools, colleges and universities. It set out a whole series of private initiated programs to help young mothers, single parents and seniors to go into the forests and practise silviculture methods. They went in and stabilized the banks of all sorts of mountain streams and so on to halt erosion. There were all sorts of programs that actually work to make Sweden a better place.

Do you know what happened, Madam Speaker? Yes, it required the government paying a bit more but it was already paying those young people some form of welfare or unemployment insurance. It topped those funds up and within three years every single one of those people were meaningfully employed and/or involved in society with their studies, or training or work programs. This includes every single one of them.

Then, those young people, as a result of the fact that they were being paid reasonably well for the job they were doing, they would purchase things. They bought Volvos. They bought clothes. They went out and entertained. They participated as regular citizens, and consequently, sales taxes flowed in, income taxes were paid along with excise taxes of various kinds.

In the end, the government virtually made money on that initiative. Not only was it cost effective in the long term after a three-year period, but every single young person in that country was meaningfully employed.

I realize that Sweden with eight million people cannot automatically transfer its experience to Canada, but we can certainly take the best portions of it and apply it where we can, whereas this government chooses to do virtually nothing which is an abandonment of the youth of this country.

I say that there are no shortages of examples in terms of what can be done. There are all kinds of proposals that we are hearing today.

We are begging the minister responsible for youth and, indeed, the government *per se* to begin to acknowledge the fact that the most important natural resource in this country are the people of Canada, particularly the young people of Canada. Right now, to ask them to go out and compete with the thousands and thousands of people who have lost their jobs and who have years of experience is not realistic.

We have only to find the comments made the other day by the Minister of State responsible for Finance and Privatization when he had the audacity to stand in this House and say: "There are lots of jobs for students. If they look hard for them, they will find them."

It is that attitude that obviously telegraphs that this minister and this government does not understand the depth and seriousness of the problem. When he says: "If you really work hard, you will find a job," that is nonsense. It is wrong, and it is callous.

I do hope that the present Minister of Youth sees the world quite differently than the Minister of State responsible for Finance and Privatization and actually introduces quickly in the days and weeks ahead meaningful programs to ensure that businesses can hire young people for training programs and meaningful employment and that all sorts of other organizations can take advantage of the programs as well.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, in the course of this debate, one of my colleagues across the way said that the competitive position of Canadians was declining, and he quoted the report on world competitiveness.

I would like to point out, Madam Speaker, that Canada ranks fifth in the world on development of human resources. In 1990, it ranked third for the skills, motivation, flexibility and health of its population. In 1986, Canada ranked fourth, and in 1989, we ranked second.

• (1600)

[*English*]

I think the hon. member would agree that the ranking of third in the world is a vote of confidence by the international community in the quality of education, training and health of Canada's people, including youth. The recent Speech from the Throne makes it clear that the government is not resting on its laurels and will strive to improve Canada's performance in learning and to make the concept of lifelong learning a reality for all Canadians.

I have a question for the hon. member. The hon. member will agree that the private sector bears some responsibility for the creation of jobs, including summer jobs for students. Does the hon. member think that the federal government should subsidize summer jobs in Canada?

Mr. Riis: First of all, to answer the question specifically, obviously there is sharing between the private sector and government to ensure that young people find employment opportunities.

Let us recognize that the private sector is being beaten down these days. We know what is happening in terms of economic and financial statistics. We know what is happening to the business world, large and small. They are being pilloried. To expect them to be hiring the usual number of summer students is, I think, unrealistic. We have a list of many of the larger firms that are hiring for the summer, but for the small business persons these days it is almost impossible.

I say to my hon. friend that obviously there is a balance there, but the glowing statistics that my hon. colleague reads out about ranking fifth in the world for this or twenty-third in the world for that is not helping Mary Brown who is right now pounding the streets of this city looking for a summer job or little Jack Brown out there some place in Red Deer trying to find a job for the summer. It does not help these young people. It infuriates them to think that when there are programs that could be launched and when there are all sorts of initiatives that could be taken, the government is saying that we are ranking 13th in the world of this and we are doing well in terms of statistics. It demonstrates that it does not understand what is going on in the real world.

I encourage my hon. friend to get back to his constituency and talk to young people in the high schools and colleges and ask them how they are doing this summer. If his communities are like any other that I know in Canada, the young people are saying they are having a tough time. It is has been the toughest ever. The youth employment offices will be telling that in a formal way, if he does not want to go home and find that out. It is tough for students out there. It is very difficult for young people, and the government does not seem to be doing much about it.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would just like to bring to the hon. member's attention to the fact that it is not just the private sector that needs to be motivated and encouraged. I realize that there are problems coast to coast in terms of youth unemployment, but I would like to be very specific.

In the province of Ontario we have a government that, granted it has been in power for only a year, has not approved one plan of subdivision, though there are close to 100,000 affordable housing unit projects on the books. Affordable shelter is something that we need, and this an area where literally 40,000 or 50,000 people could be employed overnight simply by the minister of housing and the minister of municipal affairs putting a signature to plans of subdivision, as long as they concentrate on affordable shelter.

I would hope that the member uses his influence with his colleagues from the province to get the affordable shelter program moving.

Madam Deputy Speaker: Before recognizing the hon. member for Prince George—Bulkley Valley, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of the adjournment are as follows: the hon. member for Cape Breton Highlands—Canso, Fisheries; the hon. member for Notre-Dame-de-Grâce, Bankruptcies; the hon. member for Don Valley East, the Environment; the hon. member for Winnipeg North Centre, Health; the hon. member for Cape Breton—East Richmond, Immigration.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Madam Speaker, I too want to thank the member for Kamloops for agreeing to share some of his time this afternoon in the short time we have to comment on the particular motion before the House today, an opposition motion and a very important one I think.

It is calling upon the government to implement immediate measures to alleviate the devastatingly high rate of unemployment among Canadian youth. I think I would certainly second the comments of the member for Kamloops when he talked about how important Canada's young people are. I stand in this House and talk a lot about our forests and our fish and our farms, but he is quite right: if anything is our most important resource in this country, it has to be Canada's people and, undoubtedly, Canada's young people as well.

I took the time today to listen to the member who led off the debate and to the minister to hear some of the comments that were said on this and the programs, of course, that are trotted out by the government.

It is fair to say that any of the members in their own ridings who work with the Canada Employment Centres on this area need an up-date about every other day to keep track of all the acronyms and the different programs that are there. Of course, one of the members acknowledged the fact that in a number of areas those programs have been cut back. In fact, we have also learned that a number of Student Employment Centres on campuses are going to be closed. They are closing 100 of them, including some at some fairly significant universities across the country: the University of Calgary, the University of New Brunswick and the Memorial University of Newfoundland.

As well, just before commenting a bit on the question of unemployment among young people, I do not think we could really talk about unemployment among young people unless we mentioned as well the impact that the GST is having on young people and the government's seemingly endless round of consultations on trying to change the Canada Student Loans Program.

It has shown up once again in the regulatory reform package, the book that comes out once a year. I am sure you go through that, Madam Speaker. It shows that once again the government is trying to study reforms to the Student Loans Program. It was a leftover from the previous year. We hope that for the first time in some time the Government of Canada will actually move on bringing the Canada Student Loans Program into the future so that we have a current program that works.

I took the opportunity during the break to actually have my staff call the two student centres in my riding in Prince George and Vanderhoof. I asked them to call to basically give me some information and advice that they might have about what is the current situation that students and young people are facing right now.

The comments from the Prince George Student Employment Centre are that the jobs are down this year and that they are primarily casual and odd jobs: lawn mowing, car washing and what have you.

Very importantly, and this is a comment I think I would like to add as well, in many of our rural communities it is very difficult often for young people to get employment. Often they rely on jobs to work in their mother or father's business or their mother or father's friend who has a business. One of example of that, a particular example, is in Vanderhoof where the Student Employment Centre there reports today that there is a dramatic drop in job listings, fewer jobs, but also a large increase in registrants. The comment made by the student employment officer there is that businesses are not hiring because they do not have the additional funds. Largely they are attributing that to the problems businesses are having in terms of reduced business from the GST. They are deciding to go through the summer without doing that additional hiring.

As well, I had the opportunity a month or two ago where I thought it was important to go out and actually hear from young people to see exactly what the situation was. It was very interesting to hear from the presidents of student councils in the high schools in Prince George who actually commented that they felt, from talking to their constituents, that the number of jobs was done this summer.

• (1610)

We followed up after that meeting and the calls today again confirm exactly what they knew. They are likely better representatives than the government side, because they know what pressures are on their constituents and their fellow students. I would recommend to any member here who has not done that, to do it. If you cannot do it before the summer, meet this fall, as I am going to, with student council presidents so that you get a view and a sense from those young people as to exactly the situation they are facing.

It is clear, especially in a large number of rural communities, that young people are facing additional problems in finding employment in the larger centres, particularly in this case with the demands on young people these days in terms of seeing the messages on television about people travelling to Vancouver. There is real pressure on the smaller communities.

As members we participate in a number of projects. I tour a large number of the projects which are eventually funded, during the summer, to see how they are going and to find out how they are operating.

We face the same situation as the member for Kamloops. There is a vast number of employers, local governments, and non-profit organizations willing to participate and work with the federal government to employ young people, but this government obviously is not interested in that. There has slowly been the cutting back of these programs and making it ever more difficult for young people to get employment.

The throne speech, as I mentioned earlier today in comments to the minister, talks a great deal about education and training and how important they are. Coming from an area of B.C. where the participation rate in post-secondary education is very low, I welcome the initiative. I suppose it is the fifth or sixth time we have heard this initiative from the federal government about trying to get something going in this country on education and training. Let us hope it is successful this time. To date it has not been. I would certainly encourage any efforts in that particular area.

We are very pleased and honoured that in Prince George we will be getting the University of Northern B.C. shortly. The project is under way now. We hope it is not threatened by the ongoing cutbacks in funding from this government because of course that will play a major role in the whole question of employment in that area.

I want to close with one suggestion. The minister said he would be taking notes. He is not here now, but I know he is probably watching on television. In our ridings we have had the creation of our local advisory committees that provide advice to Canada Employment on various programs. Some of these work half decently and others struggle along. I would recommend to the minister that he consider a directive, if you like, or advice to those local advisory committees to ensure that there is representation from young people on those committees. They are often missed whenever a government or an institution starts talking about all the wonderful things it is going to do for young people. Of course the last group of people it ever consults or includes in the decision making is young people.

I just want to close with an appeal to the government to heed this motion. I hope it will support the motion. The fact is that something can be done.

An hon. member: Must be done.

Mr. Gardiner: "Must be done", says an hon. member. I agree with that. If this government can mobilize its intellectual, physical, mental and fiscal power such as it did when Canada participated in the gulf war, certainly there is no better cause in this country to mobilize the resources of the Canadian government than to help our young people.

Ms. Sheila Copps (Hamilton East): Madam Speaker, I very much appreciated the member's intervention as it relates to the pursuit of education and, in particular, the pursuit of excellence by way of post-secondary education.

I wonder if the member could comment on the recent ridiculous decision of the Ontario government to do away with recognition of the Ontario Student Awards Program, the single award that actually gave recognition to students at the secondary level for the pursuit of excellence.

If the hon. member does not agree with this decision, will he make his views known to the Government of Ontario?

Mr. Gardiner: Madam Speaker, I would be pleased to present any views to any government in Canada to improve education policy in this country, and in particular the Government of Ontario which is cleaning up after the mess left behind by the previous Liberal administration.

The tremendous challenge that faces Bob Rae and the New Democratic government of Ontario is to ensure that Ontario is on a competitive footing, to ensure that our education institutions in Ontario are funded to the highest level possible, and to deliver a message to this government, and we will do the same thing: "Stop cutting transfer payments to the provinces, do your job, improve funding to health and education in this country. It is desperately needed".

Mr. Garth Turner (Halton—Peel): Madam Speaker, the government has recently established the Canadian Labour Force Development Board, which is an agency comprised of 22 members, representing a wide range of groups, such as business, labour, social groups and the educational community. It is a real partnership. I think it shows the commitment of the Government of Canada to get directly involved with the private sector and bring the private sector right into the job creation process. It is something I really want to applaud the government for doing.

I would like to ask the hon. member whether he thinks the establishment of this kind of board does not represent a fundamental and major step in improving the quality of Canada's education system? I wonder if he might comment on that because it strikes me that a partnership approach to finding solutions is the best way for us to go.

Mr. Gardiner: Madam Speaker, I appreciate the question from the member representing Halton—Peel. I know there has been some debate about this board. I think I could endorse some of the general principles behind it, but I would add a couple of additional comments.

All too often, I suppose, we have tended to emphasize a great deal the efforts here in Ottawa. I would certainly appeal to the government and the members of that board to reach out beyond the usual offices and bureaucracies of the Government of Canada in Ottawa.

As well, I think I would say this. Often, we hear the rhetoric from the government side about how we are a great, free enterprise government and we are going to free up the marketplace, then the next day we find out how it bailed out yet another business friend.

What we need is some consistency in policy. I am not being critical of the member. I think there is obviously a partnership that has to be developed. However, it has to be a consistent policy as well, and a blanket bailing out of its friends is no way to fund business opportunities and investments in Canada, nor is it any way to ensure that young people will be guaranteed those necessary jobs in the future.

Mr. Garth Turner (Halton—Peel): Madam Speaker, I appreciate the opportunity of participating in this debate. I am very pleased to have the opportunity of responding to the hon. member's motion.

First, of course, I would be remiss if I did not congratulate the member on having brought this to the attention of the House. I think the member clearly recognizes that the young people are the foundation of Canada, our future prosperity and our competitiveness. Certainly the member also underscores that government has a role to play in helping our young people who will assume the responsibility for running this country in the years to come.

Let us talk for a minute about student unemployment, why we have unemployment and why there are these problems right now.

• (1620)

The simple answer would be that we entered a recession, the economic cycle turned downwards and a lot of Canadians, as a result, have lost their jobs or have reduced employment opportunities. I think all of us will recognize and accept that as a fact.

However, it is time to move beyond that, and certainly beyond attributing blame, and ask some basic and fundamental questions, such as: "Why do we have a recession? What factors caused the recession to take place? Why could we not have avoided this economic trap?" We would have to answer that when the economic cycle started its downturn Canada did not have the resources necessary to combat it. We did not have budgetary surpluses. We did not have the tools at our disposal in order to prevent a recession from taking place in Canada.

When the economic downturn came and the inevitable hard times came we had no alternative but to suffer some body blows, some economic body blows.

We found ourselves, when the recession hit, as a country with a great deal of debt. As a result of that our interest rates were driven higher because we needed to keep refinancing this debt. It is an albatross around our necks. As a result, interest rates went up, which helped contribute to the economic downturn.

At the same time, the high debt also drove taxes higher. We have had a lot of tax increases in the last few years. Yes, middle class taxpayers are paying a very heavy load right now, but that direct increase in taxation is attributable almost directly and solely to the existence of a federal debt which keeps growing. The high debt, of course, is really nothing more than deferred taxes. This is basically my point.

We have a deficit today solely because we have a national debt. We are going to be paying $43 billion in interest this year on the debt alone. That wipes out the government's surplus and we do have a budgetary surplus now of almost $13 billion a year. We take in $13 billion a year more in taxes than we spend on programs, but that whole surplus is wiped out and an extra $30 billion of borrowing caused just because of the interest on the federal debt. This is the root behind our debate today. It is why we had a recession. It is why we could not avoid taking some measures to cushion ourselves from it. It is why we have student unemployment this particular summer.

We continue to go into debt in this country at the rate of $58,000 a minute and that is unacceptable.

As I mentioned a moment ago, a debt is actually deferred taxation. During the Debt Freedom Conference, which went on here in Ottawa, I noticed a statement by Laurent Thibeault, president of the Canadian Manufacturers' Association. He said something pretty interesting: "A deficit is really a package of future taxes". He got it exactly right, it is. At that same conference, Michael Wilson, who was then the Minister of Finance, said: "Only if enough Canadians are prepared to speak out and express their views both forcefully and persistently can we build the genuine, political will to stop living beyond our means". That is the whole point of this, political will.

Right now we are, perhaps as a result of having enough political will, continuing an abominable process. We are continuing to steal the future through debts and deficits from our youth and that is not fair. It is generational theft. It is a transferring of wealth from a future generation to one that wants it now, to a generation that wants everything now. That is why the cuts the government has made are responsible, that is why they are needed, that is why a lot of people have said that the government has not even gone far enough and that there needs to be more political will for even deeper cuts.

I think our role, as members of Parliament, is to preserve and save the future. It is very simple. We are here as guardians of a great country, guardians of a great future. It is up to us not to be squandering it. Frankly, we are doing that right now at the rate of $58,000 a minute. I firmly believe this is what the youth of Canada want. I firmly believe that the youth of Canada do not want this squandering to continue. I firmly believe that the youth want to have some hope that their lives will be better than ours, not more indebted and not more taxed.

The member who brought this motion before us today is asking that the government implement immediate measures to alleviate the high rate of unemployment among Canadian youth. In bringing that measure forward, he gives us the impression that the government is not doing anything now, that the government is abdicating its responsibility.

I just spoke for a moment about the need for the government to be more responsible than it is today, to cut even deeper and to protect the future even more. I do not want the impression to persist in any way that the government is sitting on its hands and doing nothing. It is not the case.

There are training programs in place already which are very expensive. A lot of money is being devoted to this. Let me just quickly run through a couple.

The Job Development Program will involve more than 75,000 young people this year. It is designed to enhance the employability of the long-term unemployed, many of them women, young workers and social assistance recipients.

The total participants in the Job Entry Program this year total more than 167,000 people. That program provides integrated training and work experience to help young people, women and social assistance recipients make a transition into the labour market.

There is a Skill Shortages Program, another 113,000 people this year alone who will be participating in that, helping to train young Canadians in skills that are in short supply and providing mobility assistance.

Then there is the Skill Investment Program. There are another 38,000 people this year who will be participating in that. It allows employers to train young workers in new technologies.

There is the Community Futures Program, as well, which offers support to help create business and training opportunities in communities suffering from chronic unemployment and economic dislocation. There are another 10,000 people involved in that.

Over all, under the Canadian Jobs Strategy, we have almost $490 million devoted to training programs and employment assistance for youth. Yet, we have the impression in this Chamber today that the government is abdicating its responsibility. I submit, those are not insignificant amounts of money. It is a lot of money.

The spending, as I mentioned, some would say is too much. Some would say that the government just needs to cut back 10 or 15 per cent across the board in every program. Some would say that we are spending money now that we do not have. Some would say that we are borrowing money now to pay the interest on money we already borrowed.

Some of those voices are right. We are doing that. That just makes the situation worse. Standing here debating a motion which says the government needs to do more, to throw more money at the problem, to raise the $490 million to $690 million or $1 billion a year, is just going to make the situation worse, not better, for young people. They are the taxpayers of tomorrow. The tax burden today, some would submit, and I would agree,

is too high. But that is just a taste of things to come, a small taste.

Our debt this year will surpass $400 billion. It is probably going to happen some time in late August or early September. For the first time in Canadian history we will owe $400 billion. That is an amount that just staggers the imagination of most Canadians. They cannot relate to it.

Surveys show that only 2 per cent of Canadians know what $1 billion is. Only 2 per cent know that $1 billion is 1,000 million dollars. We are about to come to a point where we have 400,000 million dollars in accumulated debt.

I said that most people do not know what $1 billion is. Let me put it in this context.

• (1630)

If one had $1,000 a day to spend and one spent that money starting on the day that Christ was born, by today, a billion dollars would not have been spent yet. That is how staggering that amount of money is. Yet, we are going into debt at the rate of $30 billion this year.

I do not think the youth want that. I do not think the youth want a whole bunch more money thrown at them. I think they are more concerned about the money that has already been thrown at them, at us, at everybody else in this country. I think they are more concerned about the $400 billion that they are going to have to pay, and they know full well who is going to pick up the tab. It is not you and me, it is the generation to come next because we cannot even get our deficit down to zero, let alone start repaying our debt.

I think the youth are saying to us that they want their future back. Maybe right now in this House we ought to be debating ways that we can do that instead of debating ways so we can throw more money at the problem.

I mentioned a couple of minutes ago a debt freedom conference that happened here in Ottawa. A number of people came together to try and talk about some creative solutions for solving this problem instead of just burying it under the rug, or worse, burying it under a pile of money.

Here are some of the ideas that came out of that conference. We should stimulate public awareness of the scope of the debt problem in the hope that we can build more political will to take direct action. Let's try and educate the 98 per cent of Canadians who do not even know what a billion dollars is yet as to exactly where the economic future of our country is going.

Let's encourage the disentanglement of governments. There is too much duplication and overlap right now in the system. There are too few co–ordinated policies among various levels of government.

We can get a situation where the federal government, for example, will go and tax taxpayers and collect billions of dollars and then transfer it to the provinces and have no responsibility, no say, no accountability, no direction over how that money is spent.

We have a situation now where one level of government can mandate a program that another level of government has to carry out, and yet there is no accountability for funds being provided. There can be a board of education which is directed by a province to bring in a certain program, and who pays the bill? Not the government which mandated the program, but the property taxpayers in a community who have to then suffer higher property taxes in order to afford it and there is no accountability when you have a system like that. We ought to encourage the disentanglement of government.

We also need to start spending restraint from the bottom up. Governments closest to the taxpayers, municipalities, school boards and police commissions are the most directly accountable forms of government and that is where tax reform ought to take place. There ought to be more mechanisms in which individual property taxpayers can have direct input into some of these boards and commissions where there is not any accountability now whatsoever.

I think we should probably freeze federal spending as a whole. I think there is a political will for doing that out there. I think there is a political will not for throwing more money at the problem, but I think the will does exist that we could have an across the board spending freeze for a short period of time, maybe a couple of years. Maybe we could do a deal between the Government of Canada and the people of Canada whereby we could have a situation where we would accept to have an absolute spending freeze.

I think we ought to find ways of preventing other levels of government from increasing spending to offset restraint at the federal level. We have had a lot of years of tax increases and spending cuts from the federal government and it has been tough and it has hurt. A lot of people sometimes wonder where we are going.

I can tell you when we see a situation, for example, where a provincial budget will come down and provincial spending has been increased by 14 per cent at a single blow, it seems to wipe out a lot of the ground that we have tried to gain at the federal level. I think that is wrong and I think that Canadians are just about fed up with that style of confrontational government.

I think we ought to dedicate taxes more to specific spending programs. I think devoting all the GST revenues to a new national bank account for reducing the deficit was a start. I think a lot of Canadians felt better about that. Paying the GST is not easy. As we found out a few days ago, it is bringing in a lot more money now than was expected.

I think Canadians really want some measure of assurance, some guarantee that that money is not going to disappear into a black hole called Ottawa and end up financing some programs that people never asked for.

Maybe we ought to dedicate more taxes. Maybe we ought to take the tax load, divide it up, and parcel it out for a health care tax, an education tax and an environment tax. Maybe we ought to give people more direct accountability into how they are taxed and a say in where it goes.

One of the easiest ways for us to get a better economic future is if we encourage people to vote for those who promise them less and not more. I think that is probably the more responsible thing to do in the 1990s: vote for people who promise you less.

It would be good if we legislated a timetable to achieve a balanced budget. Maybe we even ought to have a constitutional amendment requiring a balanced budget. Maybe we ought to remove from politicians the ability to run deficits in all but extreme emergency situations.

That is what the youth of Canada would like to see. They would like to see some legislated responsibility and accountability in the system so that they have some guarantee about the security of the future.

We ought to encourage more competition in regulated sectors of the economy. That is important. We ought to try to have a partnership, a committee or some kind of working group where there are taxpayers, business leaders, consumers labour representatives and others to work with the Minister of Finance on a comprehensive debt reduction plan which is not patchwork or hit and miss, but a comprehensive debt reduction plan that takes into account all levels of government.

That is what we are missing now. We have levels of government fighting each other. The response is that we get more debt, less co-operation, waste overlap, duplication and inefficiencies in the system. The time for that has got to end.

We have to review the powers of various levels of government. I think the level of government that stands should be the level—

Ms. Copps: Madam Speaker, I hate to interrupt the defrocked priest of the GST, but I think the subject under discussion right now is what we are going to do for youth unemployment this summer.

I question the test of relevancy.

Mr. Turner (Halton—Peel): Madam Speaker, if the hon. member had perhaps listened during the opening of my remarks, she would have realized the extremely close relationship between the levels of economic activity in an economy, and jobs that are available for our youth.

Right now, we have a situation where we have a recessionary economy which we could not avoid because we did not have the financial, fiscal flexibility in order to avoid getting into that recession.

Now, we are in a recession and there is a direct consequence which is student job loss. You can deal with this in two ways. You can take a short-term, end-of-your-nose look at the economic situation and deal with it over the next 90 days or 120 days and throw a little bit more money at a band-aid project, or you can start thinking about how structural change in an economic sense, in a tax sense or a fiscal sense, will prevent these kinds of meaningless debates from going on in the first place.

We will not need debate in the House of Commons about summer unemployment for students when we can have an economy that is structured, sound and stable. That is the point. I hope the member realizes that there is a cause and effect relationship between a country that goes into debt and a country that loses its financial flexibility. That is exactly where we are today.

I will conclude now, so any members who wish to put a question or comment can. Let me just conclude by saying I do not think the youth of Canada want handouts. I do not think the youth of Canada want minor problems papered over with band-aid solutions when we have major problems threatening our whole economic and financial viability in this country.

There is a cry from the youth of this country for us, as parliamentarians, to realize what has to be done in a structural sense, stop bickering and arguing for political points and the cameras outside, and address these fundamental economic problems.

Ms. Sheila Copps (Hamilton East): Madam Speaker, I raised the question of relevancy because if the member was honest with the people of Canada he would know that already by virtue of his government's cuts, specifically relating to the SEED program, there has been a 35 per cent cut on the backs of students.

In 1985, the program was funded to $149 million and this year, it is going to be funded to $80 million.

• (1640)

The member can blether on all he wants about what his government is going to do with the extra money it gets in its deficit reduction program, but clearly the students of this summer are paying the price for cutbacks of 35 per cent which this member has neither had the guts to defend nor even understand.

I have a very specific question relating to a letter that I have in my possession. I would like the government to explain why, with $80 million still set aside in the SEED program in communities like my own community representing six ridings, the total dollar value spent for student employment in Hamilton—Wentworth and Burlington, right on the border of this member's riding, was $189,000. That is shameful. If you take the average spent per riding, the Hamilton—Wentworth and Burlington area, which has been in a severe recession, which is suffering as a result of the steel industry cutbacks, would at the very least be entitled to $1.6 million.

I want this member to answer the test of fairness: What happened to $1.4 million that should have been going into our community? Why is it that his own government, in Access Awareness Week, had the nerve to send a letter to Hamilton city council denying them a grant for $3,800 to paint sidewalks to permit the Hamilton business area to be accessible to the visually impaired? How dare he, in Access Awareness Week, send pamphlets across the country to litter most of our waste boxes when they deny this very legitimate program funding? Because they are ripping off the Hamilton area to the tune of $1.4 million.

I would like the facts on that particular issue.

Mr. Turner (Halton—Peel): I thank the member for her gracious and thoughtful question. I am glad she shares my concerns about the future of youth and the problems we face.

Ms. Copps: You didn't talk about the young people who need jobs this summer.

Mr. Turner (Halton—Peel): Madam Speaker, the member said students are paying the price for government cuts now. I am not going to argue with her because I don't want to argue with her; it is counter-productive. I do not think anything gets served. Have there been cuts? Yes, there have been cuts. Some people may then be hurt by government cuts. Yes. I am not going to deny that. I do not want to get into a partisan fight.

I just want to say, and my point is, that students are paying the price in an economic sense not just for cuts but for debts, for decisions made in this Chamber by politicians over the last 20 years who decided that instead of taxing today they would tax tomorrow. Well, tomorrow came. Now we face a situation where we cannot avoid recessions when they come. We do not have the flexibility to set our own interest rates. We lose our financial ability to control our own economy. That is because of decisions made here 15, 12, 10, 8 years ago, and they are affecting our youth today.

I do not want to fight with you because I think probably we can make some sort of agreement on those facts. But the point is can we get our noses off the page of today and on to the page of tomorrow? What things are we going to do to prevent the decisions being made again in

this Chamber that 10 or 15 years from now will end up having the same impact on people?

Ms. Copps: Yes, 35 per cent.

[*Translation*]

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, running a country isn't easy, and it is even less so when we are faced with a catastrophic financial and budgetary situation, with a debt that will soon total $400 billion. Of course, everyone is prepared to offer solutions to this kind of problem, and to ours in particular. Of course we could print more money, according to the principle: Fly now and pay later. However, it was this disastrous policy which created problems for the past 25 years and which is now the reason we cannot deal with them once and for all, as we would like to do.

Madam Speaker, the hon. member for Halton—Peel eloquently described the dramatic situation facing us today, which is how to deal with the kind of debt we have. We can no longer afford to fly now and pay later. We are faced with a crushing debt, and that is why we must take a more rational look at the situation. Hysterical statements are useless, Madam Speaker. We have to run this country calmly and rationally, and do what has to be done.

I agree we must deal with the employment problems encountered by our young people. That being said, I have the following question for the hon. member: What kind of role could the government play to deal with a situation that is particularly dramatic among our Native people, something I fully acknowledge and everybody in this government realizes?

Perhaps the hon. member would care to comment.

[*English*]

Mr. Turner (Halton—Peel): Madam Speaker, the government has established a Pathways consultation process to directly involve Canadian native representatives in the administration of employment and training programs. Two hundred million dollars is going to be made available through the programs of Employment and Immigration Canada for the training and re-employment of natives, including native youth. A large share of that $200 million will be directly managed by aboriginal management boards. The Pathways process is complementary, I think, to the Canadian Labour Force Development Board, which will involve—as we mentioned earlier in this debate—the private sector partnership directly in the management of skills training for unemployed people.

I thank the member for his question. There is some real hope that there is going to be hands-on aboriginal management of these funds and I think they will be spent in a very sensitive way because of that.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, the Student Employment Centre in Kamloops is watching the debate this afternoon and just phoned in to ask me to tell some of the speakers that they do not consider providing money for Challenge '91 programs to be throwing money at students. They do not feel that providing support through government programs to assist students to attend colleges and universities is throwing money at the problem. I just want to pass that along to my hon. friend. While he might find comfort using that term, the students who are watching the program today are not pleased.

I would also point out on their behalf that in Kamloops alone, 1,200 students have applied for summer employment and as a result of the various programs, 371 jobs have been identified. We still have a shortfall of about 850 students. Hopefully things will change.

My question to my hon. friend is the following. I do not suppose anybody is suggesting we throw money around. I am not sure what that term even means, but I have not heard anybody suggest that on this side at all. However, surely it is a matter of priorities. In other words, we do have a lot of money in the federal coffers, tens of billions of dollars. We spend about $14 million a day on our armed forces; the government found $5.5 million for a comedy club in Montreal; the member who is knowledgeable on taxation issues will know that the government had just approved a continuation of a tax program to benefit the richest families in Canada through a special trust account program that enables families—extremely wealthy families—to avoid paying taxes. That is probably now worth about $50 billion, $50 billion.

The question I have for my hon. friend is this. As opposed to assisting young people in a meaningful way, young people in a school now or out of school, would he not think that would be more appropriate perhaps than the $50 billion we are losing in this ongoing tax haven for the wealthiest families of Canada, or for things like the $5.5 million that his government thought was appropriate to support a comedy club in Montreal.

Mr. Turner (Halton—Peel): Madam Speaker, first to define what "throwing money around" means. I would use a definition of spending money you do not have. I think that would be a good place to start. That is where the Government of Canada is starting.

Mr. Riis: Like a house mortgage is throwing money around?

Ms. Catterall: Somebody forgot to pay off the debt.

Mr. Turner (Halton—Peel): An interesting analogy is brought up by some members about mortgage and about the fact of borrowing to acquire assets. It is an interesting analogy because right now we have a mortgage on Canada which is $400 billion this year, and our mortgage payments are about $43 billion this year. That is $30 billion more than we have in our own bank account.

Can you imagine running a household that way, where you have to borrow to make most of your mortgage payments, and then add that on to the principal of the mortgage? That is what we are doing. The reason we have a $400 billion debt this year is because of the magic of compound interest. There was a debt in place in 1984 of almost $200 billion. As anyone who has an RRSP knows, if you put interest on a debt which you cannot pay because you have an operating deficit, your debt is going to increase. That is the reason.

• (1650)

The member talks about the possibility of tax reform in terms of dealing with residual, accumulated wealth. I do not have a problem with some of the philosophy behind what he is saying. I do not have a problem, for example, with the concept of examining succession duties. I think maybe that is a reasonable way to tap into some of the wealth which exists in a private pool. I think we ought to look at all these things. In a country with the economic situation we have, we have to look at all types of things.

If the member is suggesting finding $50 billion in tax revenue fairly quickly out of the economy, I think that is a recipe for economic disaster.

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, our youth are an extremely important part of our society and I feel this government is letting them down.

It is no secret that the experience of unemployment is an unpleasant one. You lose your place in society. You suffer financially and you suffer a loss of your sense of self-worth. Who are we subjecting this experience to more than any other group in society? It is our young.

So far, from early on, we are sending a message to our young people that we do not need them.

I would like to read something David Brazil said to the Newfoundland and Labrador Advisory Council: "The unique nature of our youth employment showed that in terms of a cause and effect relationship, unemployment may lead to certain problems or stem from others. People who had experienced unemployment, or that of a close relative, generally experience lower self-esteem, lower satisfaction with life and feelings of social alienation and they were incapable of controlling their own lives. Through these psychological factors and their link with unemployment, it is very easy to see how early experiences with joblessness can lead to social problems such as alcohol, drug abuse and crime."

At the point in their lives when we need to encourage our young people to join our society as full fledged and responsible participants, what do we do?

We subject them to one of the most demoralizing experiences; unemployment. We strip them of their confidence and we strip them of the opportunity to get a start on their career. If they are students, we make it all the more difficult for them to pay their tuition, buy their books and feed and clothe themselves.

What are we telling them? What is this House telling them? What we are telling them is that we do not care. What we are telling them is that they are not as important to us as other expenditures might be.

Nothing could be farther from the truth and the government has to realize this fact.

The members opposite must open their eyes to this problem. They cannot afford to greet our unemployed young with the same disdain and distraction as they do with other social programs.

Unfortunately, this government seems capable of little more than successive attempts to try to put the blame somewhere else; on the provinces, and if that fails, on our youth. It is the old blame the victim mentality.

When the Leader of the Opposition called upon the government to take action on student unemployment, what did the Minister of State for Privatization say? He said: "If they look hard enough for jobs they will find them." Well I do not know where the minister has been, because if you go into a riding like Haldimand—Norfolk and you walk on the streets, that is where you will see the kids. They are still pounding the pavement looking for work and it is not there.

Federal funding for student jobs has decreased from $149 million in 1985 to just $80 million in 1991.

At the same time, repeated cuts in federal transfer payments to the provinces for post-secondary education have resulted in spiralling tuition costs for students. Students are trapped in a situation in which they have to pay even more to stay in school. They have to get even higher grades just to get into school, while at the same time they cannot find the jobs to pay the tuition. If they do find a job, they have to work longer hours to pay their skyrocketing bills and they still have to keep up their grades.

Over the past two and a half years that I have been a member, I have been speaking to many young people throughout my riding and elsewhere. Over that time the mood has worsened dramatically. They are growing more and more disillusioned with our system and frustrated by their uncertain future. There are hundreds of thousands of students leaving secondary schools this month, most with no prospects for a job, and there are thousands moving on to post-secondary education with no prospects for summer employment which they will need to pay for that education.

Last summer, close to 120,000 students were returning to school and these students were unemployed. The unemployment rate for these students age 15 to 24 ranged from 17.6 per cent in Newfoundland to 9.4 per cent in B.C. Even at the lowest rate, the student unemployment rate was well over 8 per cent more than the annual average unemployment rate for the general population, and by many accounts, this year is even more desperate for our students.

In rural areas rates are much, much higher. In my riding of Haldimand—Norfolk, there are the areas controlled by the Six Nations and the Mississauga band councils. The unemployment rate among our native youth is tragically high, as high as some 90 per cent in some areas of our country. That is disgusting.

For our riding of Haldimand—Norfolk there are options. Why not put a trade school in there? Why not set government priorities to directly work out solutions to this native unemployment situation? The solutions are there. This government must take action. This government seems unwilling to help in any real way. The former Minister of State for Youth did acknowledge in the 1991 Challenge booklet that it is expected that job prospects may be more difficult given the current economic situation. He announced in February that funding for the SEED Program was being increased by $3 million. Three million comes nowhere near to the $41.8 million it cut from SEED last year. It gave back a pittance, $3 million out of a $41 million cut. From 1985 to 1991, funding for the SEED Program has been cut in half from $143 million in 1985 to just $77 million in 1990. These cuts mean that 40,000 fewer jobs were created in 1990 than in 1985.

During the same time, the average length of a SEED funded job fell from 10.8 weeks to 9.5. In those five years the average gross wage earned by students in SEED funded jobs increased by only $234. This goes nowhere to cover the increased costs which these students are facing. During those same five years, because the government has cut transfer payments to education, tuition fees across Canada increased anywhere from 20 per cent to 150 per cent.

The Canadian Federation of Students has done a very informative paper on the critical issue of the government's summer employment program, aptly entitled *It is Time for a Change.* The CFS notes in its paper that the Ministry of Employment and Immigration has been reallocating funds from the SEED Program to other programs, like the Work Orientation Workshops and the Stay In School initiative. While it is critical that the government develop funds and programs to combat the unacceptable rate of high school dropouts, I find it objectionable that the government decided to take these sorely needed funds from the student's summer job programs. The government seems to be telling our youth: please do not drop out of school, but once you are in school and you need a summer job, we cannot afford to give it to you. Equally disturbing is the funding explained in the CFS paper: in 1986 and 1987, the most current years available, women made $263 and $302 less than men in the SEED funded jobs. This government must rethink its policies before it slips completely over the edge.

• (1700)

In 1990, the average gross wage of a SEED funded job was $2,334. Tuition fees are as high as $2,100 for full-time arts students. We are not at a point after six years of Conservative rule where a student after spending the summer at an average SEED job will have more than several hundred dollars left.

Mr. Speaker, I see you are motioning me for time. I believe I should have another two minutes left, but you can check with the desk.

I see you are motioning me. In closing, I just want to say that after checking *Hansard* for the last five years, this government has not brought forward a motion or programs in this House to debate.

The Acting Speaker (Mr. Johnson): I am going to have to interrupt. The member's agreed upon time has elapsed.

[*Translation*]

Mr. Côté: No doubt about it, Mr. Speaker, I have been hearing members tell untruths. They most certainly did, and I would like to quote some interesting statistics.

It was mentioned earlier, among others things, that the funding was increased by $3 million only. But did you know that, in some areas, increases may not come as anticipated or hoped? Of course it is possible! There may be a new distribution, a reallocation of funds depending on the region and the needs. That is what administration is about: a more equitable distribution among regions to allow those that do not have the financial capability to develop to find some answers.

Another untruth was stated, Mr. Speaker. There was a net increase between 1984 and 1991, from 53.8 per cent in 1984 to 56.4 per cent. We have to keep the record straight. This means three per cent more jobs. So, let us call it as it is.

That being said, Mr. Speaker, here is my question: since we are here to manage deficits and debts that we do not want to pass on to our young people 20 years down the road, what would my hon. colleague suggest we do to manage equitably youth employment in the difficult circumstances we are in, especially given the debt we have been draging for 25 years? What would he do to turn this dramatic situation around overnight without increasing the debt? I want him to tell me, Mr. Speaker.

[*English*]

Mr. Speller: I think it is known throughout the world, but unfortunately this government does not know that investment in our youth is investment in Canada. The fact of the matter is, and I would point out to the hon. member, that from 1985 to 1991, funding for the SEED Program has been cut in half. The numbers speak for themselves; from $149.3 million in 1985 to $77 million in 1990. That is not an investment in our youth. These students need these jobs. There is an increase in tuition fees and the increase in all costs of going to school, providing an education for themselves have increased. Unfortunately, the jobs have not increased and the funding for SEED has not increased.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a very specific question, because I know that the member for Haldimand—Norfolk has a number of Stelco employees in his riding, as there is a factory there. He will also be aware that the desperate situation we face in Hamilton was further compounded by an article in today's *Financial Times*, which claims that Hilton Works in Hamilton may close completely and forever in the month of August.

That particular operation employs 7,000 workers, and according to the *Financial Times*, police in Hamilton have been asked to reschedule their vacations to stem the flow of violence that may flow from an empty Hilton Works.

I would like to ask the member if, given the desperate economic situation that we are facing in particular in the steel industry which is in desperate trouble—and obviously with rumours of this nature circulating in a respected national newspaper which have set the telephones ringing off the wall in my constituency office—this is the time that the government should be cutting funding, particularly for summer jobs which are already in such short supply.

The Acting Speaker (Mr. Johnson): I regret to inform you that the agreed upon time for questions and comments will expire following a brief answer from the hon. member.

Mr. Speller: Mr. Speaker, I want to thank the hon. member for her question. I too was shocked when I heard the amount of SEED money that was pulled out of the Hamilton and Wentworth area because a number of people from my constituency go there for jobs. I am shocked to hear that it may be true about Hilton Works because a number of students from my area have the opportunity of working in the steel industry not only there but throughout my riding. I know that the hon. member will continue to watch this and make the House aware of what is happening in that situation.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I will be very brief in my remarks concerning this question of high unemployment among Canadian youth.

I want to put on the record the fact that many young people today who are coming out of school are looking for work in our big population centres in Canada. They are moving from the rural areas in search of work in Alberta and Toronto and British Columbia, even more so today than yesterday, even more so this year than last year, or the year before.

I want to bring to the attention of the House and put on the record the fact that the Government of Canada has said to every young person in Canada who wanted to pursue the occupation of fishing, which contributes to our economy perhaps more so than that of a person who sits in an office, it has said to a fisherman, any fisherman, to a prospective fisherman, that they are not allowed any more in eastern Canada to be a fisherman.

The government froze all commercial fishing licences right around the eastern coast of Newfoundland. That is quite an amazing thing for the Government of Canada to do. It is quite a drastic thing to say that nobody, but nobody, is allowed any more to get either a fishing licence or a boat licence.

Just imagine a young man or young woman growing up in a family that fished all of their lives. All of a sudden he or she is told by the Government of Canada that they cannot pursue that job.

• (1710)

They cannot make that their profession for the rest of their life, or even today, tomorrow, the summer, the fall or all year because the government has frozen all groundfish licences. It has frozen all boat licences because the Government of Canada claims there are too many people in the fishery.

Imagine a young person who grew up in a fishing community, went to school there, went out and helped his father, his uncle and his family for years and years since he was 13 or 14 years old. Then he or she is told by the Government of Canada: "You have to go to Alberta to look for work because we are not allowed to give out any more licences, the reason being because there is not enough fish."

There are not enough fish. I have a letter here, written to the Government of the Soviet Union on March 22 of this year, to the U.S.S.R. Ministry of Fisheries, saying the following: "Initial quotas are allocated to the U.S.S.R. within the Canadian 200-mile zone in 1991—cod, redfish, turbot, squid, capelin, mackerel".

There are all of the tonnages listed off. Then, if I go to the other quota tables I will see Cuba and the Faerøe Islands, the group of islands off Denmark. They have quotas.

This year there is the G.D.R. I presume that is the German Democratic Republic which is now really the EEC, because it joined the EEC last year. There is Japan, Norway and Poland.

The question arises as to what is wrong with the Government of Canada that it would freeze every single young person in eastern Canada out of the fishing industry and say to him or her: "You are not allowed to fish anymore."

I have come to the conclusion that the Government of Canada has made the incredible mistake of concluding that fish do not swim. I say that because the government has given quotas to all these foreign nations on the basis that if it gives it to them off the Labrador coast: "They can do it up there because a lot of people are looking for licences off the Newfoundland coast."

The government assumes that by drawing lines in the middle of the Atlantic, every fish is going to stop when it gets to the line and it will never cross over the line.

It probably has the RCMP on the line saying: "You are not allowed to go any further". There is a stop sign somewhere. Maybe it has an electric fence that goes down through the middle of the Atlantic Ocean. The government believes that fish do not swim.

The other mistake it makes is by giving, for example, the Soviet Union a quota of capelin. It says: "Oh well, we are giving this to the Soviet Union because that capelin can only be caught in the fall when it is not roe bearing. It is not spawning". It says: "We leave the spawning capelin in the spring to Canadians. We reserve it for Canadians".

How can a Canadian catch a spawning capelin in the spring when the Soviet Union caught the non-spawning capelin in the fall?

The Government of Canada should reassess its policy of putting a total freeze on all licences for fishing in eastern Canada. It should reassess it on the basis that there is no logic or rationale that can be used.

The government is saying to a young person today in a fishing community that: "You, a young person in Canada, are not allowed ever to get a licence to pursue the occupation that your family has pursued for years", while at the same time, the young man can sit in the evening, look out on the ocean and see the lights of those foreign vessels offshore catching the very fish that he made an application to catch through the Government of Canada.

With those few remarks, I will take my seat. We are all expecting the minister of fisheries, of course, to change all of these decisions that were made two months ago by the Government of Canada and we are waiting for him to turn around, come into this House and say: "Look, we are going to allow Canadian youth to enter the fishing industry."

After all, we do not outlaw them from entering the legal profession or the medical profession, or from becoming a carpenter or a logger or a miner. But we outlaw them, we say: "You are not allowed to become a fisherman in this country". That is absolutely outrageous and outright discrimination against the youth of Canada.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I listened with great care to the very distinguished member for Gander—Grand Falls here this afternoon raise this whole concern, and one he understands very well with respect to the fishing industry from that great province of Newfoundland, but he erred. He erred this afternoon, in my view, by suggesting that it is the fishery and the lack of fish or the policies of the Government of Canada with respect to fishing that has caused some demise to the youth who were neglected by this government.

Why did he not, one would wonder, bring forward so that everyone could hear the fact that this government is providing $40 million to Newfoundland alone for its youth on a five-year program. This is one of a kind in Canada other than, I believe, New Brunswick. It is providing $40 million with an agreement with their provincial government to, in fact, assist many young people with the problems that they face.

He is not the only one who understands the fisheries of this country, because the riding I represent has a large commercial fishing industry. It is one that the hon. member never even thought of with 1,200 commercial fishermen, and now experiencing some low catches as well as low prices.

The hon. member in front of me on this side of the House says: "You have fishermen?" Yes, 1200 commercial fishermen in one riding of mine alone.

It is not just the fishing industry. This government, which the hon. member failed to recognize, has with an agreement with that province come to the rescue of youth. Now he may say that is not enough, but if you were to compare that $40 million going by this government into the province of Newfoundland with other provinces, you would find it most lucrative.

I do not know if he is suggesting it should be doubled or the provincial government should also double. I do not know what he is suggesting. But to stand in his place here today and suggest that due to the policies with respect to some contracts going out to the Russians on some pregnant fish that they wanted to catch, and making a lot of fun about it, is not going to help the youth of Newfoundland, I don't suspect. How many may go out to fish and not stay in school, maybe become drop-outs because they have to assist in bringing home

some sustenance for their families? That may be a case in point.

This government clearly has done a great deal in an area he never even wanted to bring up in his comments this afternoon. He wanted to put it on the record. But $40 million is not something you can just flinch at and say is nothing.

I would like him to make a comment on that.

Mr. Baker: Mr. Speaker, I did not mention the money for summer student employment because I wanted to make one point about young people who are coming out of school. However, the hon. member has just mentioned it. I know his riding fairly well in Manitoba, and what he did not mention—of course, he said now they have a lucrative commercial fishery in fresh fish; that is absolutely correct—but I understand from talking to the Department of Fisheries personnel, is that they are claiming that this hon. member is actually making arrangements to have a company set up in his riding to process fish from Newfoundland and Nova Scotia. So he could go on and he could also mention that.

I will tell him now why I did not mention this $40 million. The change was made when this Conservative government took over. Before, under the Liberal administrations we had a great deal of money for non-profit organizations, for recreation groups and this sort of thing. A lot of this money that the hon. gentleman is talking about goes to private enterprise which now qualifies for the funds.

• (1720)

So we do see it. If the hon. member went over the list of jobs that he is talking about that are actually funded through private enterprise, he would see fast food take-out places funded for summer student employment. A lot of them, I maintain, would still hire the students regardless of whether the Government of Canada did it or not. Bartenders are funded for the summer under the Youth Employment Program. The bartender would have been hired anyway. It just shows the Conservative slant of this government in taking the youth employment money and redirecting it to where the jobs would have been anyway.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I am pleased to have this opportunity to join my colleagues in responding to the hon. member's motion concerning youth employment.

In particular, I would like to focus my response on the Challenge program, the government's highly successful and innovative summer employment initiative for Canadian students which is now in its seventh year.

As I do so, I would like to not only relate the Challenge program on a national basis but also to draw comparisons with the Challenge program at work in my own riding of Fredericton—York— Sunbury during the current year.

What makes the Challenge program so successful is not just the thousands of summer jobs it provides young people; what makes it successful is the fact the various Challenge components offer meaningful work experience and positive reinforcement that will help participants meet the future demands of a highly competitive work force.

It is this far-sighted approach that has, in fact, defined this government's approach to all of our youth programs, be it Stay in School, Job Entry, elements of the labour force development strategy, the START program or many of the other initiatives designed with our young people's long-term employability in mind.

It is relatively easy for a government to haphazardly throw together so-called make work programs for young people every summer. But it is quite another thing to create a consistent co-ordinated program like Challenge, a program that generates employment opportunities that enhance the critical school-to-work transition, a program that attempts to address the long-term labour force market challenges faced not only by our youth but by employers as well.

Let there be no underestimating the scope of this challenge. Jobs are becoming more high tech and the educational requirements are getting stiffer almost as we speak. And yet while at least seven out of ten new jobs required in the 1990s and beyond will require at least 12 years of education, our entry labour pool population of 16- to 24-year-olds is actually diminishing. Clearly, if a third of a steadily shrinking labour force of youth lacks the necessary education or training for tomorrow's jobs, we have to ask: "Who is going to fill those jobs". If we cannot supply workers for the jobs of the future, we have to ask: "How will Canada ever compete in a global economy?"

It is in this context of squarely facing such urgent questions that the government has chosen to frame its youth initiatives. To simply throw money, as I have said, at short-term make-work programs that deal only with results instead of with causes would be irresponsible and finally disastrous. Because, simply put, if the school drop-out *status quo* is maintained and if the present low rate of on-the-job training continues, we as a country can look forward to decreased productivity, to decreased competitiveness and, finally, to a decreased standard of living.

That is why our youth initiatives focus on work experience, on career information and education, and on skill development. That is why we have targeted young people most at risk of leaving high school and those attempting to enter the labour market without having completed their education as the chief priorities.

That is also why we are emphasizing the development of human skill potential, the key ingredient to diversifying our economy, to competing globally and to creating jobs. That is why the Challenge program is so important.

The federal government is justifiably proud of the Challenge program. It combines work with education, creates thousands of summer jobs for students, fosters the learning-by-doing concept, and forges partnerships in all sectors of the economy. It is a preventive program in every sense of the word, pro-active rather than re-active, a program designed to build for the future today. The various challenge options respond to a wide range of employment needs from assistance for students seeking entrepreneurial opportunities to counselling support for younger students looking to come to terms with their education and employment choices.

The Challenge program encourages employers to create jobs for students and help provide valuable work experience for Canada's future labour force. Employers take advantage of the program to assess the potential of their future employees.

Another positive element of the Challenge program is its adaptability, both regionally and in terms of its over all national emphasis. Therefore, over the past two years, the changing student employment situation has led us to shift our focus to provide more assistance to those who have the most problems in the labour market. More emphasis has been placed on high school students, who traditionally have the most difficulty finding summer employment, as well as on potential and recent high school dropouts.

With this in mind, the government has increased funding for the SEED component of Challenge '91, while maintaining funding levels for all other challenge components.

In 1991, the Challenge Summer Student Employment Program will receive $143 million nationally with another $27.2 million allocated in ongoing funding to special youth strategy programs on a federal-provincial basis in both New Brunswick and Newfoundland.

In my riding of Fredericton—York—Sunbury this will amount to $1.1 million for the summer of 1991, plus an additional $1.8 million through the federal-provincial youth strategy during other portions of the 1991-92 year.

A moment ago I mentioned the Summer Employment Experience Development program, or SEED as it is called. I would like to take this opportunity to touch briefly on it and the various other challenge components.

In terms of resource allocation, SEED is the largest component of the Challenge program, receiving $80 million this year. SEED asks employers to create quality jobs for students and then subsidizes the students' wages for the summer. In my riding of Fredericton—York—Sunbury there is a total of $823,000 spent out of $1.1 million on the SEED program, which will enable 360 individual employers to engage for the summer 450 students. SEED is a very active, dynamic and important program in the Fredericton—York—Sunbury riding.

SEED has been a proven catalyst across the country for the creation of summer jobs that enable young people to contribute to society and that support the government's social priorities. Jobs in the areas of literacy, substance abuse, AIDS education, the environment and urban crime are therefore high on our eligibility list.

As well, this year's program will again encourage the hiring of visible minorities, aboriginal youth, disabled young people and the creation of activities designed to meet the needs of these groups.

The SEED program is divided into two streams, one for high school students starting jobs in late June or early July, and the other for college and university students for jobs normally starting in the month of May.

In 1990, high school students accounted for about 40 per cent of the SEED participants and female participation in the program reached 54 per cent.

Altogether, last summer SEED subsidized approximately 29,000 employers which created roughly 54,000 brand new jobs, many in the parts of the country hardest hit by student unemployment. I would like to repeat that the SEED program in 1991, this summer, will permit 350 employers in my riding to provide 450 students with summer work.

The second major component of the Challenge program is the Work Orientation Workshop or WOW program. In 1991, WOW will retain last year's funding level of $35.2 million across Canada. In my riding of Fredericton—York—Sunbury that figure for 1991 will be $275,000.

• (1730)

WOW is geared to the needs of our main target group, young people who are at risk of quitting school before they graduate. It encourages students to continue their education by providing work experience and life skills training.

WOW combines workshop counselling with practical on the job experience and academic support. This powerful combination is one of the most effective techniques for providing recent and potential drop-outs with new options for their future both in school and in the labour force.

In fact, so effective has the Work Orientation Workshop concept become that some WOW initiatives now run year-round. Last year in Canada nearly 16,000 young people participated in WOW projects. In 1991, in my riding of Fredericton—York—Sunbury between 120 and 150 students, depending upon the final calculations, will participate in these Workshop Orientation programs which have been so effective, both nationally and in every local riding.

A pivotal co-ordinating element of the Challenge program is the network of Canada Employment Centres for students, which will receive $9.7 million this year. There are approximately 420 of these student placement offices right across the country. During the summer months they help students find jobs and help employers locate workers. The Canada Employment Centre for students offers a free placement service for employers. There is no charge for listing a job vacancy.

I am pleased to say that the Canada Employment Centre for students is fully utilized and fully at work in my riding of Fredericton—York—Sunbury.

In 1990 the Canada Employment Centres recorded more than 270,000 student placements across Canada. That is very fine work. Excellent results for a specialized student employment centre.

The fourth component of Challenge is the business drive for jobs. Our partners are the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Retail Council of Canada and business members across the country. The core of this program is business talking to business about the benefits of hiring students. This year the funding contribution to that program will be $805,000 to provide financial and advertising support. That is also a very effective and very important program.

Finally, there is the Native Internship Program to which the Challenge program will contribute $2.3 million in 1991. In my riding of Fredericton—York—Sunbury that figure will be $64,300 and will employ 15 students in 10 government departments.

The Native Internship Program provides aboriginal students with valuable work experience at Employment and Immigration Canada offices and in other departments across the country.

Last summer in Canada almost 500 native students benefited from participation in this program.

In reviewing these Challenge components, it is clear that the common link is relevance to both student and labour market needs. It is clear too, from the feedback the government receives every year from students and employers alike that this approach to summer work is the right one, particularly in light of Canada's competitive priorities for the 1990s.

Through the Challenge program, not only do we encourage students to stay in school, but we also give them a chance to acquire the experience and the skills they will need to find jobs in Canada's future workforce. Employers for their part benefit from the nurturing of an efficient and dynamic labour force.

The hon. member's concern with employment in this motion and with the prospects for the summer of Canadian young people is a concern all members of this House and certainly this government share. It is a concern that this government is clearly committed to addressing through focused and effective programs such as the Challenge program and the components of it which I have described, all of which have long-term implications for our youth and for our labour market as a whole.

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WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a Ways and Means motion respecting the Income Tax Act and other legislation, and I ask that an Order of the Day be designated to debate the motion.

* * *

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S.O. 81—UNEMPLOYMENT

The House resumed consideration of the motion of Mr. Parent (p. 1319).

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, I have often heard members in this House blaming our government for inadequate policies.

Today, I would like to correct that impression. Our government is constantly rethinking its youth assistance policies. More than ever, the government wants to show our kids how to grow their own food instead of increasing their dependency by feeding them.

Government funding for youth programs has not diminished. We are simply trying to do better with the same amount of money. We try to encourage our private sector partners, business people and community agencies to take charge of the labour market with our support. The government has a new approach. We do not want to create local jobs that would lead to youth assistance dependency; instead we want to help our young people by making their transition to the labour market easier. Why should we key on paying for jobs which would exist anyway?

There is no need to create jobs for just about anyone. Several workers are able to find jobs without government assistance. So, our government chooses to keep its funding for the most needy. Our initiatives are future-oriented. We opt for more preventive measures. The stay-in-school project is a good example.

Other programs will follow to help prepare our kids to meet tomorrow's challenge. I have a question for my hon. colleague about the stay-in-school project.

[*English*]

The opposition has talked a lot about summer jobs for students. This is the objective of one of several youth programs, but programming for summer student jobs does not help the 30 per cent of Canadian youth who drop out.

My question: Can the member tell the House what concrete steps the government is taking to assist youth to stay in school.

Mr. Bird: Madam Speaker, the government recognizes that unemployment can lead to very severe social problems and that the greatest at-risk component of our student population is, as the hon. member says, the close to 30 per cent who will not finish high school.

One very significant program which has been introduced on a pilot basis, an experimental basis in Newfoundland and in New Brunswick to which I have referred, is the youth strategy through which year-round access offices have been established. Counselling services have been established to encourage young people who are out of school or contemplating leaving school to review their future, to come to terms with education requirements and to come to terms with their future in the job market.

In my riding of Fredericton—York—Sunbury, that youth strategy will have a total application of almost $2.3 million in the 1991 year, of which about $275,000, or 10 per cent, will be attributed to the workshop orientation program in the summer.

That is a federal-provincial shared program, 70 per cent supported by the federal government and 30 per cent by the provincial government. I think the program in Newfoundland is similar, although I do not have the exact details.

All I can say is that is one very dramatic initiative which this government has taken in company with the province of New Brunswick and the province of Newfoundland to address that very specific area to which my hon. friend refers.

The WOW programs which I have described in my address, while they are summer work programs, also address the prospective high school dropout with the combination of on-the-job experience, counselling and training with a view to returning to high school to complete education and then on to the job opportunities which have been identified through the WOW experience, frequently on a permanent basis.

• (1740)

Mr. Parent: Madam Speaker, on a point of order. I see by the clock that we have about 20 minutes and by prior agreement we would have the 20 minutes on our side to speak. We have two members who are going to speak, and I just wanted to advise the Chair that they would each be taking the 10 minutes. I do not know how that would work with regard to the questions after they speak but I would ask your indulgence and the indulgence of the House, seeing as both these members have done a great deal of preparation, to get them both on.

Madam Deputy Speaker: I will recognize the first member. He is being recognized for a period of 10 minutes, which is to be followed by a 5-minute period of question or comments, and whether it is used or not is not the Speaker's choice. The Speaker will recognize people who are standing and then I will recognize the other member for whatever time there is remaining.

Hon. Roger C. Simmons (Burin—St. George's): Madam Speaker, I would also like to say a few words on this very important resolution put down by my friend and my colleague from Welland—St. Catharines—Thorold. I suppose of the many issues that we have the opportunity of debating in the House, none is more important than the substance of the resolution which my colleague and friend has put before us today. It calls upon this government to implement measures immediately to alleviate the devastatingly high rate of unemployment amongst Canadian youth.

I know the House has heard it several times today, but I thought having listened to my friend from Fredericton—York—Sunbury that it was time again to remind the House of what the resolution says. I say to him that I listened with great care to what he had to say and for the most part nobody on this side will argue with what he said. There are some things he did not say that I would have liked to hear him say, but I will not put words in his mouth. In his talking about the Challenge program and how good it is, and the Work Orientation Workshop and how good it is, we do not argue with that. We argue, we take exception, to the way the government has tried to gut these programs, to use a good Newfie expression. We take exception to the manner in which, in real terms, the government has taken what has the potential to be a good program and rendered it impotent by not giving it the amount of money that it needs to function effectively and to reach those thousands of people out there, young people, who are on the unemployment rolls.

He read his speech well. It is a marvellous idea he pushes, and we support the same idea. He stopped short by not telling us what he is doing on behalf of the people of Fredericton—York—Sunbury, and by extension the people of Canada, to beat some sense into the thinking of this government that this is not a time to renege. His own words condemn his argument when he says the WOW program has the same amount of money that it had last year. Implicit is the admission that in effect there is a cutback. Everybody out there knows that with inflation, if you have only the same amount of money as you had last year, you have to cut back somewhere. His own statement gives a lie to the argument he tries to make. His own statement tells us that there is, in real terms, not as much money in this program or in other programs as there was last year.

The reason we bring forward this motion today is because youth unemployment, the whole area we focused on today, for all the rhetoric, for all the brave speech-making on the other side, has become a wasteland. It is an economic nightmare when you realize what is happening to the talent, to the potential and to the skills out there vested in those young people. It is the pillaging of a resource. Our most valuable and precious resource is being wilfully pillaged by this government.

There can be no other explanation for it. The government is pillaging, devastating, brow-beating and pummelling our most valuable and precious resource. What is happening here is a human tragedy. It is a double tragedy that men and women on the other side will stand up and try to condone what is going on here, try to put a good face on it and try to pretend that disaster somehow is a success. It is a human tragedy of considerable magnitude.

The youth jobs are drying up. The tuition rates are going up in the universities. The students' ability to even get an education is being further limited by this government with the cutbacks and the freeze, first for two years and now up to five years in transfer payments.

Consider that in the province that I come from, the province of Newfoundland and Labrador, the unemployment rate according to the Statistics Canada figures for April, 1991, was 33.5 per cent. One-third or one out of every three young Newfoundlanders 18 to 24 is walking around, not because he or she is lazy, not because he or she will not go to work, but because there is no work to go to.

Those programs that my friend from Fredericton—York—Sunbury made reference to a few minutes ago could help bridge the gap for some of those people if the government had not been so niggardly, stingy, or deliberate in its plan. I say deliberate because I see in the government's approach to youth unemployment the latest indication of its brutal and single-minded consistency. This government always hits the most vulnerable. Look around you. Look at what it has done for the aged and for the sick in terms of the cutbacks in transfer payments for health. Look at what it has done to children in terms of family allowance payments. Look at rural people in terms of rural post office closures and railway abandonments and so on. Look at small business, the most vulnerable in any sector. In business it is the small business. In society generally it is rural as opposed to urban. Among humans it is children as opposed to adults. It is the aged as opposed to others. It is the sick as opposed to the healthy.

This government, you would think with deliberate intent, sat down with a pencil and said: "Okay, who is the worst off out there, who can we hit, who is most vulnerable?" In its exercise it came across students, students who were already having difficulty staying in college to complete their education so they would be better off. This is the crowd that preaches training and preaches qualification and it has cut those students off at the knees, those very students who want to get qualified. It has cut them off with higher tuition fees and other expenses which make university almost impossible for many of them.

This government has a brutal consistency. It goes out there and it hits those who are most vulnerable. In this present example, it hits the students, the young people, whose rate of unemployment, particularly in Newfoundland as I have said, is one-third in the age group 18 to 24.

This government is brutally, brutally consistent. It kicks you while you are down. The students are down right now, the young people are down, the 18 to 24 age group is down because of the economy and down because of increased expenses of going on to college and continuing their education. These people are down and out.

So what does this government do? It is consistent all right. It kicks you while you are down and now it kicks the student.

In the same vein it turns a blind eye, it turns a deaf ear because it cannot be argued that those students' plight has not been put on the floor of this House of Commons. It cannot be argued that the government does not know what the problem is. The government has symbolically shown that it understands very well what the problem is because it has crafted programs to deal with the problem, but then it will not fund those programs. It will not fund them adequate to the need.

I say again to my friend from New Brunswick that the WOW program and the Challenge program are marvellous programs.

• (1750)

You will not find anybody on this side of the House knocking the programs as concepts, as workable functional utilitarian ideas. Our plea is for the government to literally put its money where its mouth is. If it cares as much about youth unemployment as its spokespeople have said today it does, let it put more money into those particular programs.

In conclusion, I reinforce what my friend from Welland—St. Catharines—Thorold has so well said in his speech today. The time has come for the government to implement immediately some measures to cure this problem before it becomes an overwhelming and consuming tragedy. The loss will be ours if we lose the skills the potential and the future of those tens and thousands of young people who are out there walking around because they would just like to have some work to go to.

Hon. William C. Winegard (Minister for Science): I have a couple of comments on the hon. member's speech. He talks about the funding for post-secondary education. I suspect that he does not really have the latest figures in terms of the percentage of government funding for post-secondary education that is now held by the Government of Canada.

In fact it is very high. It varies by province, but in his own province it is well over 50 per cent and he knows that.

Second, he talks about tuition fees and how they are going up. I wonder why he wants to favour the rich. Every economic analysis done on tuition fees indicates that low tuition fees favour the rich, that if you increase the tuition fees along with reasonable student support systems then they begin to have more and more effect on the economic class that needs that kind of help.

Once again we get the rhetoric which somehow sounds good but it bears no relationship in terms of reality.

I just could not help but clarify a couple of those points for my hon. friend.

Mr. Simmons: Madam Speaker, the minister for science has some suspicions he has admitted. I have one or two myself. I suspect he did not read the Minister of Finance's last budget speech, so I will quote a sentence from it for him because it announced an extension of the present two-year freeze to five years on federal transfer payments for universities and colleges.

Now, that is my suspicion, but the minister in jumping up and accusing me of rhetoric wants to talk percentages. Did he ever try to buy groceries with percentages? Did he ever try and pay for tuition with percentages? Just walk into the Registrar and say: "I am here to pay my tuition. Here are the percentages."

The people I talk to, I say to the minister for science, are not the rich. They are the people in the small communities, the fishing communities along the south coast of Newfoundland who say: "I had intended for my Johnny, my Mary to go to university, but we cannot afford the tuition". Now, if they are the millionaires he is talking about, yes, they are millionaires in many terms, but they are not in money terms and they would like to have this government not cut them off at the knees instead of getting up with that blarney I just heard from a minister of the Crown.

Madam Deputy Speaker: I do not want it to get into debate. There are two minutes left.

[*Translation*]

Would the hon. member yield for another question?

The hon. member for Richmond—Wolfe.

Mr. Yvon Côté (Richmond—Wolfe): Madam Speaker, I wanted to comment what the hon. member for Newfoundland said earlier, but since he spoke in English, I would rather ask him a question.

[*English*]

His colleague from Newfoundland already mentioned that the reduction in fish quotas hurt the employment opportunities of Newfoundland youth, but he no doubt knows that many Newfoundland youth quit school to enter the fishery activities, leaving them with few skills to seek alternative employment.

What does the hon. member think should be done to help encourage Newfoundland youth to remain in school? Let me tell you something, Madam Speaker. Just keep in mind that in September 1988 the cabinet approved the expenditure of $40 million of Canadian Jobs Strategy funds for youth strategy pilot projects in New Brunswick and Newfoundland where youth unemployment is the highest. In February 1989 a five-year agreement was signed between the province of Newfoundland and the Government of Canada to implement a co-ordinated federal-provincial pilot project, the objective of which was to ensure that all youth are in school, in training, or in jobs.

I would ask the hon. member what the government can do to keep those youths in school longer. That is the question.

Mr. Simmons: Madam Speaker, to the second part of the question, the member well knows that none of us in the speeches today has said that the programs that are implemented are all bad. We recognize, as I said in my speech, that the WOW program, the Challenge program, the youth strategy, the kinds of things to which he makes reference are all good programs. They are not adequately funded but they are good concepts.

What do you do to keep them in school? I am sorry I do not have more time to answer more extensively, but in a word of response to the gentleman who raised the question "What do you do to keep them in school?"—I also answered that in my speech—you make tuition fees affordable so they can go in the first place.

[*Translation*]

Mrs. Marlene Catterall (Ottawa–West): Madam Speaker, I would simply like to address one of the effects of cuts made in the summer job creation programs in my riding.

[*English*]

It goes exactly to the question just asked by the previous member in that these cuts in summer employment are going to guarantee that many poor children do not go back to school this fall. Many poor children whose only means of getting through the summer, having a little bit of job experience, and feeling the value of going back to school in September has been lost to them.

I have thousands of families in my riding who live below the poverty level and these are the families who are not able to benefit this year from the Challenge '91 program because the funding for this program was cut from over $100,000 just two years ago to $22,000 for the last two years.

With so little time, I would like to read into the record what happens to children who live in poverty when they do not get a chance for a summer job that gives them a little bit of income which allows their family to send them back to school in the fall. What happens is that poverty is perpetuated.

I want to read from an article in today's *Ottawa Citizen* about the results of that poverty: "Chronic illness is substantially higher among children who live below the poverty line than those who live above. It has double the number of psychiatric disorders for those who live in poverty compared to those who do not. At school poor performance is twice as high for children on welfare as for children not on welfare". The dropout rate is approximately four and a half to five times as high for poor children as it is for non–poor children and, most devastating of all, accidental deaths are nine to one for poor children. Homicide–suicide is four to one for poor children. Pedestrian car accidents that kill children are two and a half times as high if you are poor.

These are the results of poverty. These are the results of not having summer employment. These are the results of not going to school and perpetuating the whole cycle of poverty.

I say to the last speaker who asked the question that the way to keep young people in school, the way to end the cycle of poverty is to have enough family income so that people feel they have some hope of a better future.

[*Translation*]

Madam Deputy Speaker: It being 6 p.m., it is my duty to inform the House that the proceedings on the motion are over pursuant to Standing Order 81(17).

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

BANKRUPTCIES

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, on May 17, I asked the government what it was going to do to help the 1,600 employees who lost their jobs as a result of the Pascal Hardware bankruptcy. I pointed out that Pascal's hardware had been in business in Montreal and region for 87 years and as a result of its bankruptcy on May 16, 21 stores were closed and 1,600 employees lost their jobs.

In particular, I asked if this lay–off and these workers would qualify under the Program for Older Worker Adjustment, known as POWA. I also asked what other initiatives the government would take to retrain and re–employ the 1,600 individuals.

POWA, the Program for Older Worker Adjustment, is good in principle, but very defective in its criteria and its administration. And it is under-funded.

I have here an article from *The Winnipeg Free Press* of May 23, by Leonard Shifrin who calls the POWA program "a cruel lottery for the laid off" and he points out that "while this program promised much, after three years it has only spent $73 million of the promised $150 million used in the first two years and it only provided benefits to 2,244 ex-workers". Right across the country only 2,234 workers, when at Pascal's alone, 1,600 have lost their jobs. Obviously, no matter if this program is good in concept, it is grossly, grossly under-funded. I hope that Pascal's employees will qualify under that program. The program needs to be extended.

This bankruptcy of Pascal's also raises several other issues. One is that the Bankruptcy Act needs amendment. Under the present Bankruptcy Act, employees only have the right to receive $500 in back wages and after that they become unsecured creditors, so all sorts of other creditors get their money before employees, some of whom have worked for 20 and 30 years. I know some of them who worked at Pascal's. They are going to get a raw deal after many, many years of working for that company.

I think this bankruptcy also gives rise to questions to the government as to when is it going to come forward with amendments to the Bankruptcy Act.

Finally, I hope, as I said, that the government will announce that Pascal's employees will qualify for POWA. I hope, as well, that the government will realize that POWA is not enough. In addition to more funding for POWA and some amendments to its program, it must also bring amendments to the Bankruptcy Act to give laid-off employees, as a result of a bankruptcy, much more compensation for their wages so they should not be left out in the dark, as they will be under this program.

I anxiously await the response of the minister or the parliamentary secretary.

Mr. Ken James (Parliamentary Secretary to Minister of Labour): Madam Speaker, I would like to thank the hon. Warren Allmand for his question concerning the lay-off at J. Pascal Inc. and its potential for consideration under the Program for Older Workers Adjustment, or POWA, and what the government initiatives are with respect to retraining and re-employing these workers.

As the hon. member is aware, POWA is a federal-provincial and territorial program designed to help long-service older workers who have been permanently laid off and have no prospect of finding other employment. Lay-offs that occur in all private sector industries and commercial Crown corporations, including the lay-off at J. Pascal Inc., are eligible for consideration under POWA and subject to the criteria consistently with other lay-offs across the country. I would stress, however, that POWA remains a program of last resort, to be applied after all other adjustment measures have been considered.

With respect to the hon. member's concern regarding the consideration under POWA of the lay-off that occurred at J. Pascal Inc., I would like to reassure him that it will be assessed by the Canada-Quebec and Canada—Ontario POWA committees.

While this analysis takes place, most laid-off employees will be provided with financial assistance through the unemployment insurance program. Once the analysis is complete, Mr. André Bourbeau, Quebec Minister of Manpower, Income Security and Skills Development and the hon. Bob MacKenzie, Ontario Minister of Labour and the Minister of Labour, the hon. Marcel Danis, will evaluate the findings to determine whether the lay-off is eligible under the program for older worker adjustment.

For your information, I would like to take this opportunity to outline the main lay-off eligibility criteria. Very significant economic disruption in the region; significant loss of employment in the industry; importance of the lay-off relative to the size of the community and a large proportion of older workers affected are some of the criteria.

I would like to refer the member to the information I have passed on to him, and we want to thank him very much for his concern.

THE ENVIRONMENT

Hon. Alan Redway (Don Valley East): Madam Speaker, when I was a kid, every day after school, I and my friends would go down to the cliffs on the edge of the Don River Valley in Toronto to play.

We would not only play on the cliffs but we would play in the dumps that were all along the edge of those cliffs. Today, Madam Speaker, you and I would not call them dumps, we would call them land-fill sites.

All those dumps or land-fill sites are now completely filled up. There is no place else to put garbage in those locations. They are all grassed over, and that is a real problem.

Ten years ago when I served on metropolitan Toronto council, and on the executive committee there, we bought a huge land-fill site, the Keele Valley site, just north of Toronto in Maple, Ontario.

We were told at the time that this would last for my lifetime and probably for the lifetime of my children as well. Today, we are told that at the end of this year, at the end of 1991, that land-fill site is going to be completely filled up. There is not going to be any space in it at all any more.

We are told as well that by 1993 the last remaining land-fill site in metropolitan Toronto will be completely filled. There is no place else to put garbage.

Metropolitan Toronto is not the only place with this problem. Every large municipality has this problem whether in Ontario, Quebec or the prairies. We are told that by the middle of the 1990s all of these existing land-fill sites are going to be completely filled up because we in Canada have the dubious distinction of being considered the most wasteful people on the face of the earth.

Canadians produce 1.7 kilograms of garbage per person per day. That compares with the Americans at 1.5, the Germans at 1.3 and the Chinese at less than .5. In fact, every Canadian produces about one tonne of garbage each year. Two-thirds of all of that comes from industry, business and institutions. The other third comes from our own homes. About 30 to 50 per cent of all that garbage and waste that comes from our own homes comes from packaging.

What are we going to do about this? Some people say: "Let's incinerate it. Let's burn it all". Other people say: "Let's ship it out of town". In Toronto we say: "Let's ship it to Kirkland Lake". In Montreal they say: "Let's ship it to Sept Îles". Other people say: "Let's just let it pile up. There is no problem at all. Let's go on and continue the garbage binge". Other people say: "We should be recycling it". And some people say: "We should be reducing it". In fact, that is really what we should be doing.

Since packaging is such a large part of that waste, the federal government, with tougher regulations, can play an important part in reducing that packaging that is filling up our land-fill sites and causing us this great problem.

The green plan says that we are going to do this voluntarily. We are going to cut down on packaging voluntarily until some time in 1992. Then, after that, we will start to think about putting some regulations in place in 1993 if that does not work. By that time, all of these sites are going to be filled and it will be too late.

I say to the minister tonight: "For heaven's sakes, Mr. Minister, do not wait until we have to pile up the garbage in our parks, school yards and apartment balconies. Let's get some tough regulations in there right now."

• (1810)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I would like to address my remarks to the hon. member for Don Valley East concerning packaging of waste.

He is so right in saying that the largest single component of municipal solid waste in Canada, accounting for some 30 per cent of the total, is in packaging. The importance of this issue is underscored in Canada's Green Plan, which he has already acknowledged.

The National Packaging Protocol is the first initiative cited in the green plan in the list of Canada's efforts to reduce waste. Under the National Packaging Protocol an over-all target was established of a 50 per cent reduction in packaging waste by the year 2000. The in-term targets of 20 per cent by the year 1992 and 35 per cent by 1996 were also set.

The federal and provincial environment departments, as expressed by the Canadian Council of Ministers of the Environment, fully support these goals and consider voluntary compliance as the preferred means of achievement. Regulations to achieve those targets will be implemented if voluntary action, especially by industry, fails to achieve the 1992 goal of a 20 per cent reduction in packaging.

Under this front, through the National Packaging Task Force, the Canadian Council of Ministers of the Environment is engaged in developing recommendations for a comprehensive federal–provincial legislative package to support the objectives of the National Packaging Protocol. The recommended legislative elements will contain standards and codes for packaging and specified content and composition for packaging materials. In fact, dialogue has already begun with the task force multi-stakeholder group to develop its regulatory framework, including the development of examples of model regulations at the federal and provincial levels. Discussion and consultation will also be required to ensure a consistent application of the legislative elements throughout Canada.

Establishing regulations is only one of the possible means to achieve the goals of the National Packaging Protocol. Environment Canada will participate in the investigation of possible economic instruments and other means to support the protocol's objectives of reducing waste and protecting Canada's environment.

* * *

HEALTH

Mr. David Walker (Winnipeg North Centre): Madam Speaker, I would like to thank the Prime Minister and the Minister of Finance for giving me the opportunity to continue this debate on the importance of fiscal transfers to the provinces.

The question raised last week in the House of Commons during Question Period was prompted by a report by the very well respected National Council on Welfare. In its Spring 1991 report entitled *Funding Health and Higher Education—Danger Looming* it raises the alarm that perhaps Canadians were not aware of just how dramatic the changes were that were about to take place within the funding. Although they did not use any particularly derogatory or nasty adjectives that perhaps the opposition would be more inclined to use to accurately describe the government, they did, however, note just how cash poor the provinces are going to be. Provinces such as Nova Scotia with hard-done-by areas such as Cape Breton deserve more support than they appear to be getting and will get in the future.

They start out with the proposition that health care and post- secondary education are undertakings vital to the well-being of Canadians. I think even the government could agree with that. They continue to stress the fact that people in poorer provinces would have to make do with health care services that are inferior to the services enjoyed by Canadians who happen to live in richer provinces. In other words, people living in Cape Breton, rural Quebec, northern Ontario, Manitoba, Saskatchewan, interior parts of B.C. would be hard pressed to keep up the medical services and post-secondary education if the present strategy of the federal government were allowed to take place.

That, by the way, is the reason why this party opposes so strenuously Bill C-20, which is its budgetary strategy for reducing even further the payments. So as bad as this story is from the National Council of Welfare, I can assure you that it will even be worse if Bill C-20 is allowed to pass through this House.

This report is not a negative report. They in fact have several recommendations which I would like to bring to the attention of the House. These recommendations should be taken more seriously by the Prime Minister. The Prime Minister, in a very offhand response said: "Oh, the report is inadequate", and sat back down. However, the report like all reports can be discussed intelligently, and that is why I am happy to have the government here tonight. To say it is inadequate when this organization has a 20-year history of presenting Canadians with well thought out positions on poverty, issues that most Canadians would not like to hear about, or at least most governments would not like to hear about. These people have continued to work hard on behalf of Canadians and deserve not to be dismissed in that easy way.

It recommended that the federal government should continue to play a significant financial role in both health care and post-secondary education. Can you imagine, in this country, that recommendation having to be made? Can you imagine not taking it for granted that the federal government has a role in medicare and a role in post-secondary education?

The very fact that the organization thought that it had to remind the government is a testimony to how much things have changed in the last while.

Second, any changes in the financing of health and higher education should result from federal-provincial negotiations rather than being imposed by Ottawa. How did this government ever win an election? It won an election by saying: "Look at what the Liberals are doing. They are imposing on this country".

This most respected organization says: "The imposition of terrible measures by this very government". It has quickly forgotten just how important this is.

There are many other issues raised in this report.

I stand here before the House asking the Prime Minister and the Minister of Finance to reconsider their responses, to not describe the report as being inadequate but stand up and understand that Canadians are expecting more from them in terms of fiscal transfers.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I would like to thank my colleague from Winnipeg North Centre. We had the privilege of working together for the last two and a half years on industry, science and technology, so I look forward to our work together on health and welfare.

Canadians do love their health care. Each and every one of us do. There have been a number of public opinion polls that indicate a very high approval rating. Actually about 90 per cent believe that our medicare system makes Canada one of the best countries in the world in which to live.

However, it is also recognized that health expenditures are increasing. They are increasing faster than the rate of inflation and the growth rate of the Canadian population.

In such an environment where provinces today spend up to one-third of their budgets on health, provincial finance ministers are naturally very concerned about over all costs. It is now generally accepted that spending more on health care does not always result in proportionate improvements in the state of health care.

Major transfers to the provinces, including both the cash and the tax transfers, will grow on average by 3.7 per cent for the period 1991-92 to 1995-96. All other federal programs will grow by 3.4 per cent.

This government stands by the national standards of our medicare system. The Minister of National Health and Welfare has made this clear in the House. This is not a promise that the government takes lightly, as a recent National Council on Welfare report would have one to believe. We are very serious about our national medicare system. Poverty does affect Canadians and it is also a major concern for this government.

This is definitely an issue which requires more time, more effort and more attention from all Canadians.

Since 1984, the government has embarked on a series of initiatives to improve the situation of Canadian families. Our approach has been to support self-sufficiency among Canadians through economic and social policies which have helped to create a climate in which job creation can prosper. Even in a time of necessary fiscal restraint, however, the government has acted to better support lower income families with children and this government has increased by more than 50 per cent the maximum value of the child tax credit since 1984. We introduced a new child tax credit system. We have helped parents who are separated or divorced with their maintenance fees and we introduced a goods and services tax credit under the GST.

Madam Deputy Speaker: Unfortunately, I will have to interrupt. Those two minutes do go very quickly I must admit.

* * *

IMMIGRATION

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I rise this evening with regard to a question I put forward on May 30, 1991, to the Minister of Employment and Immigration concerning the contradictions in public documents that have been released regarding the Al-Mashat case. I wish to put on record the words of the former President of the United States, John F. Kennedy. He submitted to Congress a special message on ethical conduct in government which reads as follows:

> No responsibility of government is more fundamental than the responsibility of maintaining the highest standards of ethical behaviour by those who conduct the public business. There can be no dissent from the principle that all officials must act with unwavering integrity, absolute impartiality, and complete devotion to the public interest. This principle must be followed not only in reality but in appearance. For the basis of effective Government is public confidence, and that confidence is endangered when ethical standards falter or appear to falter.

• (1820)

It would be very helpful if the Parliamentary Secretary to the Minister of Employment and Immigration could share with members of the House this evening an explanation with regard to the contradictions between version A and version B of public documents that have been made available concerning the Al-Mashat case.

Canadians are concerned about how an individual of such stature as Al-Mashat could get into the country when there are thousands upon thousands of people who are waiting, and have been waiting for quite some time, to obtain admission to Canada.

Canadians expect more, much more from their elected officials. Contradictions and half-truths are simply unacceptable to the people of this country. They want the issues of our time addressed with clarity, common sense, single-mindedness, and sincerity of purpose. They want high standards of ethical behaviour maintained by those who conduct the public business. I suggest to the parliamentary secretary that they want performance from this government, not public relations, and they want leadership, not salesmanship. I hope that the parliamentary secretary to the minister can provide a suitable answer.

[*Translation*]

Mr. André Plourde (Parliamentary Secretary to Minister of International Trade): Madam Speaker, standing in for the Parliamentary Secretary to the Minister of Employment and Immigration who is unavoidably absent, I will gladly answer the hon. member for Cape Breton—East Richmond's question.

Madam Speaker, the minister stands by his previous statement: he was informed of the Al-Mashat case on May 7, 1991. The question the hon. member asked in this House on May 30, 1991, could also relate to statements made by ministers Valcourt or McDougall. So, as the Minister of Employment and Immigration indicated on May 30 and has repeated over and over since, the Minister was made aware of this matter on May 7, 1991.

Madam Speaker, as the member knows, this government did not hesitate to offer and extend full cooperation to the House committee asked to consider the Al-Mashat case. The ministers put themselves at the disposal of the committee, officials testified and documents were submitted. Perhaps the hon. member would rather we made a secret about it. If that is the case, we are sorry to say that the hon. member will be disappointed.

Madam Speaker, in this whole affair, this government has been very open and very quick to co-operate. It wants all Canadians to be informed of what took place, and that is precisely what we did.

* * *

[*English*]

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Madam Speaker, I would like to begin by thanking the parliamentary secretary for his patience.

On Monday, June 3, I had occasion to rise in this House during Question Period and ask the minister of fisheries about the alleged illegality of the dockside monitoring program.

The government is currently compelling fishermen and fish processors to pay user fees to private companies set up by the government to monitor the catches of fishermen as a condition of entering into a licensing agreement with the ministry of fisheries.

The problem is that the government did not bother to obtain either legislative or regulatory authority for the user fee portion of the program. That was the finding of the senior legal counsel of the Parliamentary Joint Committee on the Scrutiny of Regulations and Statutory Instruments.

In his report, which I released on May 22, the senior legal counsel states: "The minister, in using his discretion to obtain the payment of monitoring fees to monitoring companies by fishermen and to secure the fishermen's signature of agreements, is exercising his power *unlawfully*".

I sent a copy of this report to the minister of fisheries on the day it was released. On that day we also heard from the parliamentary secretary that the user fee portion of the program was under review by his ministry. I would have thought that the result of that review, given the thorough and authoritative way in which the document presented the case for the illegality of the fees, would have convinced the minister of fisheries to do the honourable thing and to rescind the user fees and reimburse the fishermen. Perhaps if he were insistent on imposing these user fees, he would have sought the necessary legislative authority to do so at a later date. However, when I asked the question of the minister of

fisheries a week ago today, his reaction was to slough off the report as just one lawyer's opinion.

For the minister to assume this stance shows not only a callous disregard for the law, but something which we would not have expected from a minister of his experience and his calibre. The minister of fisheries appears to hope that no one will take this matter any further. He seems to hope the government will get away with this blatant disregard for the law, even though the program has clearly been brought into question with regard to its illegality.

This is no way to deal with the enormous problems facing the fisheries. For the government to resort to illegality or to coverting the legal requirements to bring about its objective is all the more galling to fishermen who are forced to take food off their families' tables in order to pay for these ludicrous user fees. Fishermen are tired of the government ignoring this fact and claiming that the program is in the best interests of fishermen and everyone involved in the fisheries. They are not fooled, they are appalled. They are demanding that the government confront the issue of these illegal fees head on and not sit back smugly but re-evaluate its program, rescind those fees and reimburse the fishermen who had been asked to pay them without the proper legislative authority.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Thank you very much, Madam Speaker. The Dockside Monitoring Program was introduced as a pilot project in 1989 with the support of the industry to reduce the widespread misreporting and under-reporting of catches in the Gulf of St. Lawrence. This program, which was expanded in 1990 and 1991 to cover all mobile groundfish vessels, as well as mid-shore crab vessels, shrimp vessels and large herring seiners, will continue. The legal opinions regarding the legality of collecting dockside monitoring fees referred to by the member for Cape Breton Highlands—Canso have been reviewed by the legal counsel to the Department of Fisheries and Oceans.

The Minister of Fisheries and Oceans continues to hold the position, based on past legal advice, that he has the authority to implement the current system and to require fishermen to pay the costs of the monitoring program. The fishermen as well as producers on the Atlantic coast who benefit from the fish resources have indicated that they want a system which will maintain an orderly and an economically viable fishery. The Dockside Monitoring Program is a tool which is critical to the realization of this goal. It ensures that management's plans are implemented fairly and the high quality of data gathered under the program also aids in stock assessment, ensuring that the total allowable catches, the TACs, are set based on actual stock strength. Over time, this will help the stocks to recover.

Furthermore, with the introduction of individual quotas on groundfish, crab and shrimp fisheries in the gulf, it becomes critical to have a precise and timely monitoring system in place. The fishermen and processors who benefit from the resource must contribute to its management and rebuilding. The Department of Fisheries and Oceans does not have sufficient resources to pay for the program. This is not to say that the program cannot be improved. Consultations will be held this year with industry groups to discuss ways in which the efficiency of the program can be improved and cost minimized.

I wish to thank the hon. member for bringing this again to our attention.

[*Translation*]

Madam Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until 10 o'clock a.m. tomorrow pursuant to Standing Order 24(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, June 11, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to seven petitions.

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

* * *

[*English*]

IMMIGRATION ACT

MEASURE TO AMEND

Mr. Derek Lee (Scarborough—Rouge River) moved for leave to introduce Bill C-232, an act to amend the Immigration Act (visitors' visas).

He said: Madam Speaker, this bill amends section 9 of the Immigration Act. Its purpose is to facilitate the issuance of visitors' visas to close family relatives of Canadians.

It is identical to the private members' bill presented by me in the last session of this Parliament and would permit a Canadian to stand as a surety or as a guarantor for the terms of the visitor visa.

Motion agreed to, bill read the first time and ordered to be printed.

FISCAL ARRANGEMENTS ACT, 1990

MEASURE TO AMEND

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved for leave to introduce Bill C-233, an act respecting fiscal arrangements between the federal government and the provinces.

He said: Madam Speaker, I have just a brief explanation. Essentially this private member's bill is similar to one I had tabled in the previous session.

It would essentially impose upon the federal government an obligation to ensure that funds transferred to the provinces for health and post-secondary education are spent in those fields.

• (1010)

It is important to note that this bill is similar to a recommendation made by the government's own National Council of Welfare in a report that it issued last week.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

PETITIONS

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have a petition duly signed by 28 residents of the city of Thunder Bay and certified by the clerk of petitions.

The petitioners humbly pray and call upon Parliament to support the NDP plan to restore VIA Rail service cut on January 15, 1990; to maintain and, where appropriate, upgrade remote services on which many Canadians rely; to become a legislated mandate for VIA Rail; and to make available to VIA the resources which it needs to become a modern, passenger rail system in a class with those throughout the rest of the western world.

I am pleased to announce that the federal NDP convention adopted the back on track campaign this weekend.

MMT

Hon. Ralph Ferguson (Lambton—Middlesex): Madam Speaker, I rise today to table another 150 names on petitions. This totals over 9,000 names tabled, calling upon the government to ban methylcyclopentadienyl manganese tricarbonyl in Canada and substitute it with 10 per cent ethanol in all gasolines.

These petitioners are very concerned that the government would ignore the fact that ethanol blended gasoline is an environmentally friendly product, but they are even more upset that the government appears to be listening more to a very massive campaign being conducted by a large American company to maintain MMT in gasolines in Canada when in fact it has been banned in the United States since 1978.

We ask this government to move as quickly as possible to adopt this proposal.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have here a petition from young Canadians recognizing the increasing need for education in Canadian society to meet the challenges of globalization, the changing Canadian economy and Canada's social challenges.

They recognize there is tougher competition in this world and education is the way of beating it. They deplore the cut of $485 million this year and the 3 per cent administrative fee on loans. They point out that education is not simply for the wealthy, that education must be for all Canadians. They encourage the government to give it a higher priority.

CANADIAN FLAG

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise to present another petition signed by numerous residents of Kingston and the Islands who call upon Parliament to adopt a law which would make it an offence to desecrate or destroy the flag of Canada.

The petition directly supports the bill introduced in this House by the hon. member for Scarborough East and urges this House to deal with the bill expeditiously and perhaps see to its prompt adoption.

VIOLENT CRIME

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my pleasure to present a petition on behalf of a number of constituents from Kamloops and neighbouring communities who are concerned about the latest statistics from Statistics Canada.

They point out that the level of violent crime is increasing and encourage the federal government to reconsider its plans to cut back on the funding for the RCMP and maintain traditional funding in the years ahead.

VIA RAIL

Mr. Nelson A. Riis (Kamloops): Madam Speaker, another set of petitioners from western Canada are calling upon the government to rethink the decision to curtail VIA Rail service.

They point out that in Europe, passenger rail service is the most environmentally sound way of moving large numbers of people. It makes sense for the second largest country in the world geographically to have a good passenger rail system and are asking the federal government to reconsider the decision to cut back on VIA Rail funding.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I would ask that all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I welcome the opportunity to present to the House Bill C-20 for second reading debate, the 1991 Budget Implementation Act, a very important piece of legislation. I am pleased to see so many Liberal members in the House today taking an active interest in this very important debate.

I think it is important, in opening this debate, for all members to realize the importance of expenditure restraint. It is critical in our attempt to ensure that we can provide a climate that is conducive to economic growth and stability. The issue of expenditure restraint is a key element of federal government policy.

The provisions outlined in this bill will help to ensure that Canada continues its progress toward economic recovery this year, but just as important these measures will help ensure that we set in place the essential conditions for stable continuous growth, and permanent job creation, as well as real increases in national and individual prosperity throughout the decade.

The legislation before us proposes to change four specific acts of Parliament. The Federal-Provincial Fiscal Arrangements Act will be amended to extend the two-year limitation introduced in the 1990 budget on the growth of established programs funding to the provinces for another three years. In conjunction with this we are also proposing to amend this act to permit the withholding of other federal payments to provinces in the event of a breach of the national health standards set out in the Canada Health Act.

We are also asking for a change to the Parliament of Canada Act to limit annual increases in sessional and expense allowances for members of the Senate and the House of Commons. I know that all members of the House will take an active interest in that provision of the bill.

Mr. Milliken: Yes, it is well supported.

Mr. Mazankowski: I am pleased to hear that from the hon. member from Kingston.

As well the bill before us amends the Public Utilities Income Tax Transfer Act to extend the current limitation on payments for an additional four years.

Finally, the Unemployment Insurance Act will be altered to increase premium rates to ensure that this vital national safety net remains on a sound financial basis. I am sure the hon. member from Kingston would want to ensure that the Unemployment Insurance Act and the fund therein would be retained on a sound financial basis. That is something that he should know, if he does not already know, is required by law.

These measures continue and add further certainty to our commitment to put our national finances in order. For countries and governments as well as individuals and firms this is a fundamental starting point for the long-term security and prosperity of our country.

When we first announced the Government Expenditure Restraint Act in the 1990 budget, Canadians could at that time look back on six years of unprecedented growth, a record where we led all major industrialized nations, except Japan. Today, however, we in Canada as in the United States and in the U.K. are experiencing a recession. This has had an adverse impact not only on our economy but equally as well on our fiscal situation.

We hope and we have every belief, thanks to the effective measures we have taken in time, that the turnaround is imminent and that we will soon again enjoy positive growth. Judging by the positive indicators that we see emanating on a daily and weekly basis, we sense that the recession has bottomed out or is close to bottoming out. The point of recovery in the second half, as was projected in the February budget, is clearly imminent.

• (1020)

The measures now before the House are designed to renew our progress in reducing the annual deficit and controlling the destructive growth of our national debt. They are also part of the comprehensive plan to restore economic confidence and to bring down inflation. This is,

of course, the key to a continuing and enduring decline in interest rates, which will fuel recovery and provide a climate for growth.

Since 1984, our government has been following a comprehensive, mid-term plan for fiscal consolidation and economic renewal. We have reduced government spending. We have tackled waste and inefficiency in government operations. We have reformed the tax system to provide a more secure and more equitable tax base while ensuring that there was fairness in the system, as well as international competitiveness. We are implementing structural reforms to improve the growth potential of the Canadian economy and, as outlined in the Speech from the Throne, we are determined to attack the issue of productivity and improve our competitiveness. This is key for a trading nation like Canada which relies more on trade than any other nation in the world with the exception of Germany.

These actions were successful in stimulating strong growth, particularly in investment over the 1985 and 1989 period. As well, these measures have allowed us to reduce the deficit. For 1990-91 it has been reduced by nearly one-half as a percentage of the GDP from where it was in 1984-85. As a percentage of GDP the deficit has been reduced from 8.7 per cent to 4.5 per cent—

Mr. Milliken: Nonsense, absolute nonsense.

Mr. Mazankowski: —and that is the key number, Madam Speaker, in spite of what the hon. member suggests.

The measures introduced in last February's budget will ensure that our deficit spending does not increase this year over last, despite the pressures of the recession. Then, through the combination of expenditure restraint, economic recovery and lower interests rates, the deficit will begin to move sharply downward to just $24 billion in 1992-93, the lowest level in more than a decade.

The fiscal track that we are now on, by 1994-95 we will have eliminated the need for any new government borrowings on the financial markets for the first time in 25 years.

Mr. Mills: Double the tax grab and put all the burden on small business.

Mr. Mazankowski: We see all the big spenders over there and they are critical of that, and I can understand why. I am waiting to hear some words of enlightenment from the other side, but so far I have not.

Madam Speaker, the measures introduced in this bill will work effectively together as part of our plan for economic recovery. It is a plan that will bring about lower interest rates and strengthen our capacity to create jobs and generate real gains in Canadians' incomes. We will achieve these goals through a series of co-ordinated interrelated actions, carefully structured to promote economic progress while ensuring that no unnecessary burdens are placed on this country, either today or in the future.

For example, in tandem with the Governor of the Bank of Canada, we have set out low, but achievable targets, for reducing inflation. I am confident we are on track to meeting our goal of 2 per cent inflation by the mid-decade. This lowering of inflation represents the only reliable long-term method of bringing down interest rates.

Second, we are putting government finances firmly on a course toward a balanced budget. Third, we will introduce legislation to establish a debt service and reduction fund which will provide, by law, that revenues from the goods and services tax and from the privatization of Crown corporations as well as any private contributors will flow into this fund.

Well, I am certainly in a position to welcome any contributions coming from the other side today, and it is tax deductible. My colleague says that there is deafening silence over there.

All of these funds will flow into this fund, to be used only to reduce the deficit, to stop the growth of debt and not to finance new programs.

Fourth, we are severely restraining government operations. We are freezing operating budgets. As well, wages and salaries are being tightly restrained for cabinet ministers, members of Parliament, Order in Council appointments, and for federal public servants.

These are very important and bold initiatives to deal with the very tough and difficult issues we now face. If we were to follow the Liberal pattern, we could talk about the 1981-82 recession. The government at that time—

Some hon. members: Oh, oh.

Mr. Mazankowski: They do not want to talk about history. That is rather interesting.

During the recession of 1981–82, the Liberal government chose a different path. That is why our budget this February and the legislation before us has become so necessary. What we are faced with today is not only paying the bills of today, but we are forced to pay the bills of yesterday, caused by my friends opposite who still believe that they can spend their way to prosperity.

What happened? By 1984–85, the annual deficit had tripled under their regime to over $38 billion in just four years. Interest charges on the debt were consuming a rapidly increasing proportion of revenues, revenues that could not be allocated to better the lives of Canadians.

That is the point. A huge deficit and the cost of servicing the deficit limits government's ability to provide needed services to Canadians. That is the real issue we face today. In fact, it is the compounding interest on the national debt we inherited that now accounts for almost all of the growth in the debt that has occurred over the last six years. That is the truth.

If we had followed the Liberal way, that short-sighted political way that is even today suggested by some of our more learned critics across the way, we would then have embarked upon a course of spending and fiscal irresponsibility which would have aggravated all of the fundamental problems we now have. It would have deepened and complicated the problem of renewing our national prosperity.

For example, if we had followed the same track that the Liberals were on, today instead of having a $30 billion deficit we would have had a $99 billion deficit. That is really the fact of the matter. It is a stark comparison of the difference in approaches and the difference in attitudes.

Instead of restoring the government's ability to assist Canadians in need, we would be weakening that capability. Instead of building greater confidence in Canada's ability to deal with its problems, we would be sending a message of indecision, uncertainty and probably incapacity.

We cannot spend our way out of difficult times with money that we have to borrow. The philosophy behind our program for economic renewal is clear and very concrete. We have to pay our way at home and earn our prosperity in the international marketplace. That is why we have embarked upon a course that places less reliance upon government and taxpayers' pocketbooks and more on personal initiative and enterprise.

Government spending in the end comes only from one source: the taxpayer. It is not government that creates jobs, prosperity and provides higher real incomes. It is the private sector through its enterprise, its initiative and its production. It is that production which produces the wealth that not only services governments and the important services that governments provide, but indeed provides the wealth for Canadians. It is not government that creates jobs and provides higher real incomes. Prosperity cannot be legislated, it must be gained in the marketplace. That is a very important philosophy. It is something I am pleased that hon. members opposite are agreeing with.

If we have that right, then it is pretty clear that we have to concentrate our efforts on attempting to put in place the kind of economic environment that is conducive to providing ways in which the enterprise spirit will prevail. The innovative and entrepreneurial spirit will certainly then provide the kind of wealth and the support and welfare for all Canadians. We clearly understand the role that government has to play. It must provide an economic environment in which prices are stable, productivity and risk-taking are rewarded, and initiative is encouraged. It is in keeping with this philosophy—

• (1030)

Mr. Mills: You're punishing productivity.

Mr. Mazankowski: The hon. member says we are punishing. Yes, it is difficult because we have a difficult fiscal problem we have to contend with. Until we address that fiscal problem, we will not be able to provide that kind of encouragement and that kind of climate which the hon. member, I know, wants—

Mr. Mills: Well, say that.

Mr. Mazankowski: —to establish. We have a difficult problem. We have to distribute some medicine. I am saying it. That is a fact. You cannot hide behind figures. The facts are clearly there.

Mr. Mills: What pious nonsense.

Mr. Mazankowski: I am asking hon. members across the way to shoulder their share of the burden and the responsibility because they created it and are probably more responsible for it than any other government in this country.

It is in keeping with this philosophy that our government has given a priority to the two key aspects of this renewal: structural reforms, such as deregulation and privatization, and removing the obstacles and barriers to innovation and enterprise and growth, whether it be interprovincial trade barriers, over-regulation, or various kinds of burdens and impediments to growth and economic activity. Second, we have devoted our attention to sound macro-economic policies.

As I indicated, we recognize the pressures and hardships that are facing many Canadians. Economic recovery is this government's fundamental goal, but we have to get the fundamentals right. Our policies, reflected in the measures in this bill, are establishing the sound fiscal plan on which recovery must be based.

It will be a recovery that is not borrowed from tomorrow's account. Instead, it will be a recovery that gives lasting promise and opportunities to young Canadians entering the work force, one that protects those on fixed incomes, the poor and the elderly and those who save and invest, from the ravages of inflation. That is important, Madam Speaker. The members opposite scoff at the inflationary targets. At the same time they want to ensure that elderly Canadians will not see their incomes eroded. I think we can all agree on that and in order to preserve that capacity we must ensure that we fight inflation and maintain realistic inflationary targets.

As well, we will be basing our recovery program on a philosophy that allows working Canadians and employees to plan for the future in confidence, knowing that economic growth reflects real strength rather than being based on the artificial and transitory prop of government.

At this time in a globalized economy there is no way that we can hide our inefficiencies or our lack of competitiveness. We cannot hide those inefficiencies through government subsidies or the creation of Crown corporations. It is all out there. We live in a day and age of globalization where national boundaries are becoming increasingly irrelevant. As a nation which relies on world trade for about one-third of its GDP we obviously have to address that as one of the most important priorities. That is what we are doing both in the budget and in the commitment undertaken in the Speech from the Throne.

Meeting these goals cannot be done without restraint, co-operation, some sacrifice and hard work. We must all share the burden.

Having set forth the reasons for this legislation I want to elaborate on some of the specific measures involved.

The current limitations to the growth of Established Programs Financing, or EPF, will be extended through to 1994-1995. This measure will reduce federal cash expenditures by about $340 million in 1992-1993, $465 million in 1993-1994, and about $750 million in the third year.

It is important to put this measure in context. While it is an important step for government, it is not the drastic and destructive burden on the provinces that some have suggested.

The savings that we will achieve represent only about one-half of 1 per cent of the total provincial revenues in 1992-1993. Even with the measures proposed in the bill, EPF transfers in 1992-1993 will exceed $20 billion.

These transfers will continue to grow with provincial populations. I trust that hon. members will remember as well that in addition to the EPF transfers, the federal government also provides substantial assistance to lower income provinces through the equalization program, to help them provide a level of service that is consistent across the country. This support provides for health care and post-secondary education as well.

Equalization transfers have grown significantly—

An hon. member: They have been cut.

Mr. Mazankowski: The hon. member says that they have been cut significantly and that is absolutely, categorically false. The fact of the matter is that equalization transfers have grown significantly over the last few years, from over $5 billion in 1984-85 to over $8 billion in the current fiscal year. These transfers are not affected, and I repeat, these transfers are not affected by the budget.

They will continue to grow in line with the nominal rate of growth of the economy.

The government recognizes as well that limiting the growth of transfers under EPF raises concerns about the ability of the federal government to continue enforcing national medicare principles. Therefore, the legislation under consideration will also amend the Federal–Provincial Fiscal Arrangements Act. This will allow the government to withhold other payments to provinces in the event there are insufficient EPF cash transfers against which to apply financial penalties for a breach of national medicare principles, as set out in the Canada Health Act.

At the same time that we are asking the provinces to share the burden of fiscal restraint, we are also calling on this government and members of Parliament to do their part. The February budget announced our intent to freeze the salaries of cabinet ministers for the coming year. As well, the bill before us will amend the Parliament of Canada Act to limit annual increases in sessional allowances for members of both Houses to the average wage increases within the Public Service of Canada for the years 1992, 1993 and 1994.

Any increases in salaries and allowances for office holders of the Senate and the House of Commons and expense allowances for all MPs in these years will be held to these same levels.

Such measures ensure that the burden of financial restraint is not limited to the Public Service alone. It also means that all of us in government must learn to live with the resources that we have available, a discipline that the private sector cannot avoid and that we must learn to share.

As another element of the expenditure restraint program is the legislation before us. It extends the freeze on the transfer payments to provinces under the Public Utilities Income Transfer Act, commonly referred to as PUITTA, for an additional four years until 1995. Under the terms of the 1990 budget, these payments were frozen at 1989 levels of $280 million. As a member from Alberta I want to suggest that our action here is much less drastic than the actions taken by the provincial government. In its 1990 budget, Alberta decided to eliminate completely its rebates of provincial income taxes paid to privately owned utility companies.

These tax revenues are now retained in full by the provinces, but our measure continues to return most of the federal income tax from these utilities to the provinces. That provides a level playing field with Crown corporations which do not pay taxes and operate in other provinces. It is for that reason that PUITTA was put in place in the first place.

Finally, the government proposes to amend the Unemployment Insurance Act to increase premium rates. Effective July 1, 1991, employee premiums will be increased to $2.80 per $100 of insurable earnings, from the current $2.25. Premiums for employers will rise to $3.92 per $100 of insurable earnings from the current level of $3.15. These measures work to assist the important restructuring of the unemployment insurance program that was undertaken last year, along with measures to provide more training and fewer disincentives to work. The program was placed on a sound financial footing with the costs financed through employee–employer contributions.

Since then, the deteriorating labour market conditions have led to higher than anticipated benefit payments. Consequently the program's account is projected to go sharply out of balance. This would seriously jeopardize the financial integrity of this self–financed program and further damage the government's fiscal position.

Since the UI account is consolidated in budgetary transactions, the changes in the rate will reduce the deficit by $2 billion in 1991–92 and by $2.4 billion in 1992–93.

• (1040)

The measures that we are proposing here today are not easy and not painless. They are the consequence of too many years of government overspending and overborrowing.

We worked hard to reverse that trend and reverse that record, but to make further progress on behalf of all Canadians we have to ask Canadians everywhere—individuals, other levels of government and businesses—to share in the burden of fiscal restraint.

I said earlier that our policies and programs are already having a positive effect on the economy. It is worth highlighting just a few of the recent indicators that show we are on track for recovery in the second half of this year.

For example, short-term interest rates have dropped by more than five percentage points in just over a year. The Bank of Canada dropped its rate again last Thursday to the lowest level since April 1988, and I am sure that all hon. members will agree that that is good news.

As well, I think it is important that the differential between Canada and U.S. interest rates has narrowed significantly. From a high of about 560 basis points a year ago, it has dropped to well below 300 basis points. I believe 2.59 per cent was the last figure I saw and that was for a three-month commercial paper.

If we compare the Canadian prime rate at nine and three-quarters per cent to the U.S. prime rate at eight and a half per cent, that is a differential of about one and a quarter per cent. Those wide spreads that were a legitimate complaint in the previous 12 months have narrowed significantly, and I believe that it is a clear expression of confidence in the measures we have taken. It is a clear measure of confidence in our bid to engage in fiscal consolidation that we have demonstrated a resolve and a commitment to deal with the deficit and to deal with the underlying causes of inflation.

I think the underlying causes of inflation and the inflationary expectations and pressures are key elements to interest rates now and in the future, and it is important for us to maintain that course.

In turn, the reduced interest rates are fuelling a significant rebound in the housing sector as both housing starts and resale transactions surged in April.

Also, last week Statistics Canada announced that manufactured shipments, due to the strength in the automobile sector, increased a half a per cent in March to $22.6 billion, the first rise in five months. A recent Conference Board of Canada index of business confidence showed a dramatic gain in the first quarter.

These are all positive signs and positive indicators, but we are not suggesting that we should get over-ecstatic about it. We think the recovery will be slow, but we hope that it will be a durable one.

I think it is a clear fact that the course we are on is proving to be the right one, and I think that is shown by the indicators that we see.

If we waver and let the deficit begin to surge again, we will significantly undercut the renewed business confidence in the mid-term prospects that will help generate new investment and new jobs. We will also be encouraging Canadians in every sector to return to the inflationary behaviour and expectations that are the driving force behind higher interest rates.

We simply do not intend to let this happen. The national interest, the prospect for all Canadians to enjoy renewed growth and prosperity, demands that our commitment must not flag just at the point where we are beginning to get back on track. By persevering we will not only be able to bring the deficit under control but will also, in the not too distant future, begin removing this burden from the backs of the Canadian people and particularly the backs of future generations. Only in this way can we build the Canada that we want for ourselves and for our children.

I am presenting this bill for second reading. I urge the hon. members to support it, to support the motives and the inspiration that underlie the bill. It is certainly in keeping with the trend and the direction that we must take in terms of fostering a solid foundation for economic growth and prosperity in the future.

Mr. David Walker (Winnipeg North Centre): Madam Speaker, my congratulations to the Minister of Finance. I believe it is his first major speech in the House since taking over this portfolio. I would also like to thank the minister for having his staff brief the opposition parties and give us an opportunity to review some of the technicalities of this very important piece of legislation. When I was listening to the minister, I was thinking that it is unfortunate that the sins of the father have to be visited upon the son. I am sure the hon. member for Gander—Grand Falls is a man better equipped than myself with images for these situations. I was thinking about the change in the government and how it always tries to make things seem like a relay race, a smooth transition of handing things off. But if we look at this government since it changed portfolios, it is more like a hot potato race. Immigration is over here and external is over there and finance is there, and all are throwing hot potatoes into the air hoping someone else will catch them. The minister is being caught with a hot potato and the first move he has to make is with Bill C-20.

The reason why this party will not be supporting Bill C-20 is that we disagree fundamentally with the strategy behind this legislation. It is a strategy of social policy by stealth. It is a strategy of undermining the fundamental programs in this country by using technical measures

rather than by dealing with them in a straightforward way.

The harsh battle that we saw with Bill C–69 is about to be repeated with Bill C–20. We must show Canadians that this government is seeking to undermine the Canada Assistance Plan, to undermine the equalization programs, and to undermine medicare and post–secondary education. They are doing this not by dealing with them directly, not by telling Canadians they are no longer interested in those programs, but by using fiscal measures through the back door that Canadians have a difficult time understanding and following.

It is at this quiet moment in the House at 10.30 on a Tuesday morning that an important piece of legislation is being introduced without people really understanding what the future holds for them.

I would like to spend the time during my speech to go over some of these measures and to explain, as best as I can on behalf of my party, why this legislation is in fact dangerous.

A well–known Canadian, Grattan Gray, has written in *Policy Options*, a very well respected magazine, that he would describe the strategy of this government as social policy by stealth. I would like to quote, to set up this particular analysis, from Mr. Gray.

> In brief, the Tory style of restraint has become what can only be characterized as "social policy by stealth".
>
> It relies heavily on technical amendments to taxes and transfers that are as difficult to explain as they are to understand and thus largely escape media scrutiny and public attention. It camouflages regressive changes in their rhetoric of equity in an attempt to convince Canadians that tax increases are tax cuts and that benefit cuts are benefit increases. By further complicating an already complex labyrinth of taxes and social programs, the stealth style of policy making confuses the electorate and so insulates itself from criticism. The Conservative's record on social and tax policy constitutes a variation on Newton's Third Law of Motion. For every positive action there is an equal and opposite negative change. As a result, the goal of a fairer, simpler and more rational system of taxes and transfers remains as distant as ever.

In other words, the language is there: the language of fairness, the language of concern, the language of good management. The government knows the language. The government does not have a clue as to how to carry this out fairly, on behalf of all Canadians.

The minister is fond of referring to the past. Anyone who watches the House of Commons during Question Period sees that this government refers constantly to what the bad guys did, what the Liberals did in the 1970s and the 1980s. They do not mention of course the introduction of medicare and old age security. They do not mention the amount of money that was put into post–secondary education so that this whole generation could be educated. They seem somehow to forget that.

Perhaps we should go back and ask: "What were they thinking in those years?" Let us take the former Minister of Finance, for example. He said as reported on March 23, 1982 at page 15758 of the Commons *Debates*:

> In past years, the federal government has used its taxing power and the financial strength of its position to exert its influence and to establish national standards and programs—

National standards and programs, these are words that we hear all the time now. he continued:

> This is acceptable and I think we can understand the use of that power.

Here we have the future Minister of Finance staking out the turf that he is in favour of national standards and in favour of the use of the federal powers to follow up.

He continued in the same debate:

> The only sign the current government shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending. This is particularly true in Ontario and in the eastern provinces which do not have the substantial energy revenues of most of the western provinces. That is not co–operative federalism. That is a predatory federalism, and it will not and cannot work in this country.

• (1050)

Let us read those words again and think about them: predatory federalism on provinces that cannot afford it. What do we see this government doing? We see it undertaking and participating in predatory federalism to the extent that the only road that these governments have nowadays is to go to the courts. We have federalism by court action. We have the provincial governments taking the federal government to court on basic constitutional issues such as the cap on the Canada Assistance Program.

Can we imagine a future Minister of Finance standing up in the House to speak in a debate like this and laying out a position that it is fundamental to his understanding of the country that we do not terrorize provinces?

Then in February this year he stands up and says, without any warning at all: "We will extend the existing 5 per cent cap on the growth of Canada Assistance Plan payments to the fiscally stronger provinces of Ontario, British Columbia and Alberta for three additional years". This is while they are already in court on another issue.

Second, the existing freeze on total per capita cash and tax transfers to the provinces, under Established Programs Financing, will also continue through 1994–95.

So there you go. On the one hand you stand in opposition and worry about the terrorism created by a government dealing with the recession. Then you come into power and say that the first people you are going to knock over are the provinces. You are going to make them pay for the programs even though you know most of them cannot afford to. In addition, it is fundamental to their fiscal security to have a strong central government. You take the language, you make people look this way, and while they are looking this way you take the cash and run.

Bill C–20 is all about taking the cash and running. It is done in a very quiet way where, if it is not pointed out, people will think that this is just a burden that we have to carry.

I listened very carefully to the Minister of Finance and I want him to remember his words when he said there was only one taxpayer. The great mythology in this country is that there is only one taxpayer, you and me. Well there may only be one taxpayer in this country, but there are distinctions among that so–called one taxpayer that this government refuses to admit.

Recent research has shown very clearly that the middle–class taxpayer is a special person as compared to the corporate taxpayer under this government. The rises in taxes paid by the average Canadian, which we estimate to be 34 taxes at last count, has doubled the rate of tax increases to the corporate sector. Now that is not to go on, as the NDP would, to a great anti–corporate diatribe. It is simply to point out to the government not to give us this thought that there is only one taxpayer when it has made a distinction. If there is only one taxpayer, why do the taxes go up a high percentage for the middle–class family and only a small amount for the corporate taxpayer? The government itself is saying just the opposite, that there are two classes of taxpayers and that it favours the corporate taxpayer and is going to protect them.

The guilt that people try to bring out in this deficit reduction dialogue has to be stopped. There is a deficit, it is important for us to get rid of it, and this Liberal Party will participate in any reasonable debt reduction scheme. As part of that package we not only want to see deficit reduction but real tax reform from this government and some wealth creation. We do not have wealth creation in this country right now. We have the loss of 275,000 jobs in the manufacturing sector which is just one indicator as to how little we have.

We would then like to see some real policy directions and the reform of social policies in this country. You cannot just single out deficit reduction and then drive everything by that when you have no idea how to govern the country in a reasonable way. No wonder so many Canadians are turning elsewhere and are becoming introspective by wanting to set up their own countries and move away from the centre.

The centre cannot hold if you do not have any ideas. This government lacks ideas. As commentators have said, it moves by stealth.

Yesterday, we heard the ministers of finance in Charlottetown, Prince Edward Island talk about what it is like trying to set a budget when the government takes money away at every opportunity.

This is not to say that the provinces are not positioning or that they do not have their own axes to grind. None of us are naive about provincial ministers of finance, but I would just like to point out that federalism requires co–operation.

The government cannot on one hand be trying to set out a new constitutional regime and perhaps even be talking about a new economic regime while at the same time saying to the 10 colleagues around the table: "We are going to try to squeeze every ounce of cash out of the system, and we really do not care how much you scream".

The provinces are there under the Constitution to deliver services which are close to people. That includes welfare, education, looking after municipalities and a number of functions. If you ask who matters more to average Canadians, whether it be the backbenchers in the House of Commons, city councillors, local administrators or provincial people delivering education, they will tell you we count for less every time.

Our job here is to design a federal regime which protects and supports those people. We do not do it by undermining them at every opportunity.

Bill C-20 is designed to carry on the battle begun by this government in 1984 to undermine the social fabric and the current constitutional arrangement in this country. Each federal-provincial meeting whether in health, social policy or fiscal arrangements with the finance ministers, including the first ministers' meetings dealing with the Constitution, has been designed to shift the direction of this country.

Direction is not shifted by directly saying "this is the new Canada", but by saying "free trade will have no negative impacts on the country. Bill C-69 will have no impact on the country. The constitutional arrangement will really have no impact on your lives".

Suddenly people are turning around and saying: "Where is my country? Where is the place my parents built up? Where is the place I moved to? Where is the place that opened its arms and welcomed me?" It is depressed because the underpinnings have been removed by people who do not understand how it was put together in the first place.

The fight over Bill C-20 is a fight to get this government to recognize the significance of legislation which undermines the activities that people take pride in. The bill is a piece of legislation which comes out of the budget.

In the Canadian parliamentary system, when the budget statement is made the government presents a number of items to see it through. There is no new news in here, but we see the details under which the government hopes to continue its Draconian measures to destroy this country.

In the first section it deals with federal-provincial fiscal arrangements, federal post-secondary education and the Health Contributions Act. It repeals a number of the sections and sets out a low growth strategy in the transfer payments to the provinces. I would like to deal with what that means to somebody in any one of our Canadian cities who is trying to get proper services.

What does it mean when the federal government says: "We are no longer going to sponsor post-secondary education the way we did in the past"? What does it mean to somebody 18 or 19 who is thinking of their education? It means they better begin to prepare and save if they can for very high tuition increases.

It is not out of line to think that tuition will hit $3,000 in the very near future. People say: "Why are we paying so much for education?" When people in this House went to university, they probably paid somewhere between $400 to $900 for tuition depending on the province.

Now we are saying to the next generation: "Three thousand dollars a year is not much. Don't worry about being $20,000 in debt". Then we will have to tell them: "You have to go back to Bill C-69 and Bill C-20 to understand how the federal government began to grab the cash out of the system". This can be very obscure and difficult to understand for a student in high school right now.

We stand in the House of Commons today and say to the government: "Rethink your fiscal arrangement strategy. Don't squeeze the universities. Find another way of financing this country. Find another way through tax reform. Find another way through economic growth. Don't be driven by the deficit to the point of distraction".

• (1100)

The act also continues on to outline the strategy, first noted in the budget, that the government is going to extend its powers under the Canada Health Act.

The Canada Health Act was designed by the last Liberal government to give the Minister of Health and Welfare fiscal authority and financial powers to limit payments to provinces which do not conform to the standards of the medicare program. The medicare program, of course, has five principles attached to it and with those five principles we protect our medicare system. If it is found to be sufficient, and as long as everyone stays committed to those five principles, then the need to actually use the Canada Health Act is very limited.

Members of this government are anxious to protect medicare because they understand that people out there fear them, they fear for medicare, they fear for its future. At the meetings of the ministers of finance yesterday in Charlottetown the story was: "You guys in the federal government are destroying medicare; we cannot finance it under the present program, let alone under future cuts".

This government understands that that message is out there in Canada. It has two choices. It can either recognize the concern that medicare is fundamental to the way Canadians think about themselves and do something about it, or take away medicare cash and force the provinces to find cash in other ways. This government pretends to be protecting the system, but in reality it pulls cash out of the rest of the system in order to play this charade. This is a charade and it is going to be called a charade and it is going to be fought as a charade.

The Government of Canada could protect medicare through the Canada Health Act and through proper funding of the provincial arrangements that now exist. It does not need to pull cash out of the rest of the system or threaten the provinces.

The act is somewhat obscure as to what measures are available. Perhaps for the public record this will be the opportunity to lay out exactly what is meant by other measures.

The federal government transfers funds to the provinces under several different programs. In reviewing these programs you have to remember that the federal government, if this gets through, will be able to pull money out of any of these programs. This sounds like a good idea, protecting medicare. Again, the way to protect medicare is to fund it, not to take money from elsewhere.

For example, under the Canada Assistance Plan the federal government shares the cost of each province's income maintenance and social services programs on a 50—50 basis. Cash expenditures for 1991–92 are forecast to be $5.7 billion. If the federal government decided that a province was not spending its medicare money properly, it could hold back the transfers under CAP which is meant for welfare. This is, in fact, an attack on poverty. Day care is paid for under the Canada Assistance Plan. If the federal government is not happy with the way medicare is working out, because public opinion polls tell it to be careful in medicare, it could take money from day care. It is right here in the legislation.

Crop insurance, now here is a hoot. Farmers could be forced to pay for money lacking in medicare. It has the right to take away from crop insurance. The federal government shares administrative costs and premiums for crop insurance programs with the provinces and farmers. Federal contributions for the current year are estimated to be over $200 million.

This government could take money away from official languages and education. These formula payments to provinces under the Official Languages and Education Program provide enhanced opportunities for Canadians to learn a second official language. The cost is estimated to be about $263 million for the current fiscal year. That too can be pulled away.

There is a number of programs dealing with disabled persons under miscellaneous health and welfare to the extent of $170 million. Let us think about it. They want the authority to put into this legislation that if they want some money they can pull back $170 million from disabled persons.

An hon. member: Shame.

Mr. Walker: This is unbelievable. Why would they want that particular instrument in government, unless deep down they thought: "We are going to squeeze these guys so hard they will not know how to fund medicare. We are going to be out there telling Canadians that we will do anything, anything except put up the cash, anything but tax reform, anything but turning this country around". This is just not the way to govern the country.

Turning to young offenders services, the federal government has agreements with the provinces and territories to share the costs incurred delivering justice services under the Young Offenders Act. The contribution is estimated currently to be $158 million.

Let us go over the list. They can take money from farmers. They can take money from young people. They can take money from the disabled. They can take money from welfare, from poor people. Is this the strategy for protecting medicare?

Let us continue. They can take money from justice. One of the great concerns of people is with safe cities. The federal assistance to provinces for legal aid programs related to criminal law and for programs that compensate victims of violent crime, $77 million. Again,

people who have been subject to violent crime could have their money taken away from them.

Transportation includes federal transfers to provinces and municipalities for coastal marine transportation services, the establishment and operation of airports, and rail grade separations. Another $69 million is made vulnerable.

Equalization, which the government puts at $8.4 billion, is a big pocket to get into. Territorial financing for the territorial governments, another $1 billion is not going to be available to the federal government.

Perhaps the one that I enjoy the most—and I am sure my hon. friend from Kingston and the Islands will be happy to discover it—is that this government wants to put into this package grants in lieu of property taxes. The federal government makes grants to provincial and municipal governments instead of paying the property taxes levied on federal and diplomatic property. The grants to municipalities right now is estimated at $344 million.

In other words, if there is a hospital in Ontario which for some reason the government does not like the way it is operating, perhaps with user fees or whatever, it can turn around and say to the city of Kingston: "We are withholding all your money". It could say to the city of Ottawa: "We are just going to withhold your money, that is it; get the province in order".

What kind of terrorism are they setting in motion? They have the legislative authority to turn municipalities against the province and against the federal government. Is that co-operative federalism the former Minister of Finance waxed on eloquently when he had the luxury of being in opposition? Perhaps he never thought he would be government and have to take responsibility for this country. Perhaps some of the good news is that he no longer is responsible for the financing of this country and we will find a better way of doing things.

We consider that this new weapon in the arsenal of the federal government in its attack on this country is totally unsuitable. We will work as hard as we can to make Canadians familiar with this particular component of the legislation and to fight hard against it.

If that were all the bad news we would be saddened, but there is no end to the bad news from this government. The bill continues on to deal with the UI. It quietly announces a 30 per cent premium increase of $2.25 to about $2.85. We have to stop and think: this follows the legislation they are so happy about, Bill C-21, not two years ago in this House, after a long, bitter and acrimonious fight in which the government withdrew from the unemployment insurance and left it up to individuals and companies.

Now we find out that the premiums have to be raised because in the absence of government support the fund is in a great deal of debt. Is there any mention in this legislation or in the minister's speech about training? Did he say anything about training? No.

• (1110)

So here we have on the one hand the Prime Minister traipsing about the country, balloons going up about how interested the Department of Finance is in training issues and how incompetent the provincial governments are in education. What do we find in the legislation the government presents to the House. We find that it is capping the moneys and withdrawing moneys from post-secondary education.

The government talks about the unemployment insurance fund. Does it mention training? No. How do people get themselves back into the system if this government cannot even remember to mention it in a speech, let alone care to do something? It cannot even remember that it made a commitment.

The Conservatives come into this House and talk about the need for deficit cuts and so forth, and then they turn around and attack the working people of this country in a way which totally destroys their confidence that they will have a secure and full life in this country.

Until these attacks stop, the depression in this country and the uncertainty will continue. It is up to this Minister of Finance to show some leadership and to understand how a piece of legislation such as this is so destructive.

Recently this legislation and the budget were reviewed by the National Council of Welfare. This is an advisory group to the federal government. It published a report

entitled *Funding Health and Higher Education—Danger Looming*. This has been a subject of much discussion in the last 10 days. It is an excellent report. It comes from an organization which has been researching in this area for 20 years. It has managed to do the fine balancing act of being a critic of the government and a creature of the government at the same time and of being a spokesperson for Canada's poor at the same time as being responsible in its judgments.

I have over the years used many of its documents as a researcher and can attest to the seriousness of it work. It became the centre of a controversy last week when it indicated that the cash payments being made to the provinces were about to disappear.

As the government well knows, there are two components to the transfers that it makes under, for example, the health programs. It makes a tax point transfer, most of it settled under the 1977 EPF arrangement, Established Programs Financing arrangement, but it also transfers cash. In the analysis done by the National Council of Welfare, those cash payments begin to disappear from the provinces. Those cash payments are first to disappear in Quebec within five years, and in the rest of the provinces and the territories within 15 years.

When we look at this analysis we begin to understand the dilemma of the federal government. It refuses to tax properly, and therefore it is cash short. It does not have a gross strategy for this country and therefore revenues are shrinking. It has a deficit that is mind-boggling, three-quarters of which has been created by its own stupidity. When we take those components we realize what the National Council of Welfare is warning us about. Then we go back and look at Bill C-20 and all of a sudden realize what this is all about.

The government is trying to move out of its traditional domain. While it talks of national standards and tries to introduce into the constitutional debate a discussion on national standards, it pulls its cash off the table. As it pulls its cash off the table, particularly in medicare, the provinces say: "Well, listen, we need this cash for medicare. We are having trouble. We are having to choose between education and medicare". The government shrugs and says: "Medicare is protected under the Canada Health Act and by the way under Bill C-20, if you mess around with that, we have all these other weapons and we will go after you there".

The National Council of Welfare points out the following in its remarks, which I think are very good: "Health care and post-secondary education are undertakings vital to the well-being of Canadians". That should not have to be restated, but it does in this country right now because people are losing sight that that is one of the reasons we got together in the first place. It warns that people in poorer provinces will have to make due with health care services inferior to the services enjoyed by Canadians who happen to live in richer provinces if these measures go through.

Again, let us think about it. Let us think about my colleague from Gander—Grand Falls having to go back to his constituency and saying: "No matter how difficult life is in the province and no matter how much you struggle, the only news I have for you after this spring is higher UI premiums and the likelihood that your medicare system is not going to be as good. By the way, if you want to go on to post-secondary education, you can try the university in this province, you can pay your $3,000, but really it is getting to be better elsewhere in the country".

We cannot deal with families on that basis. We have to tell them they are there as fishermen, as loggers, as miners and as farmers. Sometimes there are good years; sometimes there are bad years. Sometime there have been bad years in the west. What are they supposed to do if medicare gets undermined? Do they live for three months in the farms of Manitoba and then go to Toronto for medicare during the winter?

What are the Conservatives thinking about? The National Council of Welfare is saying: "Be careful, this is the system you are setting in motion. We want you to pay attention to it because, if you let them put this into legislation, in 10 years you will wake up with no cash from the federal government". The federal government says that it does not have cash, that it will squeeze somewhere else, and that, by the way, it is trying to make a good constitutional deal for everybody to make them feel like this is a fair country.

That is why this government has no credibility and that is why the sooner it is gone the happier Canada will be.

There are some very specific recommendations coming from the national council report which are worth while presenting to the House. As this legislation moves to committee, I would like to see the committee consider

some of them and make sure that the legislation conforms to these important points.

First, the federal government should continue to play a significant financial role in both health care and post-secondary education.

Second, any changes in the financing of health and higher education should result from federal-provincial negotiations rather than being imposed by Ottawa. What a message.

After years of co-operative federalism beginning under Lester B. Pearson in the 1960s, after special deals made by Mackenzie King to ensure that UI became a national program, after the leadership shown by Paul Martin, Senior, in ensuring the medicare came into Canada despite federal-provincial problems, the development of regional development programs in the 1970s within the atmosphere of federal-provincial agreements, the extension of economic development ERDA agreements, the Economic and Regional Development Agreements in the early 1980s, we are all of a sudden starting the 1990s with an advisory group having to make the most elementary statement that Ottawa should not impose new agreements.

Why does that have to be stated? It has to be stated because nobody trusts this government any more, particularly the people concerned about social policy in this country.

Third, any new arrangements negotiated for financing health and higher education should focus on federal cash payments. A cliché in business, particularly small business, is: after a deal has been made, who has the cash? Maybe we should remember this in dealing with the federal government: Who has the cash?

They do not have it because they will not collect it and, because they do not have anything, they will not give it to the provinces. We know that the individual taxpayer in Canada has no cash, their provinces have no cash, and the feds say they have no cash. The big question right now is: Who has the cash?

The Minister of Finance went over the problem and said: "Oh, I don't have any cash, Mr. Opposition Party. You should know that". This country has cash, so who has the cash? If the biggest tax collector in the country is telling us that he does not have cash, where is it? Is it because they have wasted it and therefore should not be governing any more? Is it because they do not know how to collect it fairly? Why do they not have the cash? I ask the minister that question. Perhaps he can return to this point later on in his discussions.

Finally, federal funding for health care should be distinct from funding for post-secondary education. Federal legislation should stipulate that the cash received by a province for health and higher education is to be spent as intended.

I want to deal with one of the most subtle and dangerous changes in the fiscal arrangements in this country, by focusing attention on medicare which we can take for granted is one of the most important if not the most important programs we have, because when everything is said and done health is essential to life, and by building a corral around medicare we have to stop and think about what has been excluded. If we do not have cash for medicare, where do we find it? That is the question provincial ministers of finance have. You find it in post-secondary education. So many provinces have been guilty of stealing moneys from the post-secondary field to cover up other fields.

• (1120)

It is stealing from their future. It is stealing from students who need a first class education. I do not mean 50, 60 students in a political science class whose books are four years old. That is kidding ourselves. People who have language skills, people who you can trade with—how can you have a world trading system, as these ministers talk about, if you do not have people who can speak many languages? How can you speak many languages if you do not get trained?

You talk about going into Asia. Who are you talking about going into Asia and what skills are they going to have?

You talk about selling our wheat to new markets or developing new products in the wheat markets. Where is that research going to be done? You do not do that by reading a four year old book at a university library. You do it in first class facilities.

The National Council on Welfare is absolutely correct to say: "stop the stealing from education because nobody notices it today or yesterday". All of a sudden down the line everybody is going to notice it, everybody is going to

be in a panic and then it may be too late because you cannot create a new student. You cannot create a new university library. You cannot create a new community college by going "presto, it's here". This takes time and a lot of effort and if we do not start now, it will take us 20 years to catch up.

These are the comments on Bill C-20. As you can see, we have serious reservations about it. We are very concerned about the ongoing cutbacks to the transfer payments to the provinces. We think it is a strategy not developed in a realistic way in the context of program development, of tax reform, of deficit reduction.

We are as concerned as the government about the debt that it has created, and let the records show that it is their debt and no one else's debt. It had a finance minister there for seven years. He knew what the debt was. He projected every year that he would be doing a better job. He failed. It was turned over to a new minister. It is too late for them, but the country is saddled with $400 billion worth of errors.

This party is very sensitive to the need to reduce that deficit, but it is also, as I have indicated in my speech, it is something that is not done on the backs of farmers—and this is documented—of municipalities, of provinces, of people who are vulnerable in the society. You do not build strength by attacking the weakest.

This attack on the weak should not go unchallenged and, thus, our party opposes this legislation and will continue to challenge it.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, we have had a remarkable demonstration this morning of the smugness of this government. We are confronted with economic conditions across this country which are damaging human beings, destroying communities, making our opportunities for the future as a country more narrow, making our potential for our young people more constrained. That is the reality of our economy across Canada in 1991.

The New Democratic Party has just completed an economic recovery tour of 15 communities. We talked to over 75 groups, groups ranging from farm groups, women's groups, co-operatives, groups representing aboriginal Canadians, to trade unions, to business groups, from those representing large scale business, like the Bank of Nova Scotia, to those representing small scale business like Caplan Retail Stores in Hamilton.

The message which has come to us is not a message such as the Minister of Finance tried to present to this House this morning. He suggested to people that everything was really moving ahead, that this government was on track and that the economy was moving into a recovery which was going to be durable. Those were his words.

I have to say that this minister and this government is certainly on track. It is on track in leading this country into the worst period of economic experience that this country has felt for a long period of time, since the 1930s.

We go back to the recession of 1981-82. There is no question that the Liberal Party at that time led us into a recession which was attacked by the Conservatives on that side of the House because it demonstrated to those Conservatives that the Liberals did not care about people. The Conservatives may have been right, that the Liberals did not care about people. What the Conservatives have done in their economic management of this economy is to demonstrate that not only can they repeat the mistakes of the Liberals in the early part of the 1980s, but they can do so with a callousness, coldness and lack of concern for the future of our entire country, which as we enter 1991, really puts our country at risk.

We had a set of hearings in Montreal. A great many francophone groups came before us. They were groups such as the Union of Quebec Farm Producers, the UPA, the Confederation of National Trade Unions, the representatives of the environmental groups and social development groups in Quebec. Many of these groups had already given up in expressing their view of where Canada and Quebec should go in the future.

They had said: "Quebec should become independent." Why? Because these groups demonstrated to us how devastating the economic policy of this government was to the every day Quebecer, to the person who does the work to make that society go forward. Yet this government says: "We are on track."

I quote not from something that the New Democratic Party has written, not from something that comes from a trade union, a farm group or any of those popular groups across this country that we talked to during our hearings,

but from a publication which came out yesterday, "The Business Review" of the Bank of Montreal.

This is not exactly a socialist document. This is something from one of the largest business corporations in the country, the Bank of Montreal. What does it say? It says:

> The current recession has clearly been much more severe than earlier expected.

• (1130)

Do you remember what the government told us just six months ago, back last fall? They said: "This is a temporary slowdown, just a brief pause for us to get our breath". Well it has turned out that they were wrong with respect to that. The current recession has been much more severe than earlier expected.

This government has also said: "Well, the rest of the world is experiencing recession". Let me quote again from the Bank of Montreal:

> In Germany and Japan, on the other hand, a slowdown is currently underway but there seems no likelihood that in either country, a recession will develop.

This government has tried to call this a slowdown. It is not a slowdown, it is a reversal. It is a destruction of economic growth in this country, a reversal which has reduced the level of output in Canada. Germany and Japan are not experiencing that and are not expected to experience it according to economic observers such as the Bank of Montreal.

The minister suggested to us this morning that things are rosy, that there are many positive indicators; housing starts, manufacturing shipments, business confidence is growing.

Let us look at the reality. The reality is, and again this comes not from the New Democratic Party, but from the Department of Finance's own publication which came out this past Friday. It indicates that the GST revenues collected in the last fiscal quarter were higher than estimated in the February 1991 budget, by $400 million. That is $400 million on a base of $1.8 billion.

In fact, this government has collected from the pockets of Canadians, 25 per cent more than it told Canadians it was going to collect—25 per cent more in GST. The minister considers that a positive indicator. Let me tell you, there are many constituents of mine and many people across this country I have talked to who say that is precisely the problem. This government is taking the money from peoples' pockets which would otherwise be spent on goods and services and keeping people at work in this country.

The minister says positive indicators. He did not happen to mention the unemployment rate on Friday, which went up from the previous month to 10.3 per cent, an unemployment rate increase which includes a loss of jobs for our young people in this country, a loss of jobs for young men for a total of 13,000.

The seasonally adjusted figures for unemployment itself indicated that 15,000 more people were unemployed in this country last month. Is that a positive indicator? If we compare the unemployment figures that were just announced Friday with last year, what is the reality?

The reality is that full-time employment in this country of ours decreased by 330,000 jobs since April of last year. Surely it is not possible for this government to say that these are positive signs for the future of our country.

This decrease is not just in the goods producing area, the manufacturing sector which has been hit so hard. There were 174,000 jobs lost there, but 65,000 jobs were also lost in the service producing sector.

We have seen, brought home to us in these kinds of statistics, that this is not a country enjoying a durable recovery. This is a country still experiencing recession. When we move into recovery—eventually we will have to move into recovery because that is how business cycles work—what sort of recovery is it going to be?

Again, let me quote from the Bank of Montreal which is usually on the government's side. It does not say that it is going to be a durable recovery. No. It says that it is going to be a weak recovery. To quote:

> Weak income growth is expected to be one of the main impediments preventing a more robust recovery.

Expansion is expected to be sluggish. Maybe this government is satisfied with a sluggish, weak recovery. Let me tell you that you have lost 330,000 jobs in a year. To see a sluggish recovery and be satisfied with it is surely shameful. In my view, there is no question that this government is far too smug about what is happening.

Interest rates in this country are still far too high. The gap between us and the United States of 3 percentage points is far higher than anything that we had historically

between Canada and the United States in the past. We have never had that 3 per cent rate.

The dollar's value now is consistently over 87 cents American. Every single institution that you speak to in this country, from the government's own Economic Council to the Canadian Exporter's Association and the trade union groups that are being hit so hard in terms of jobs by this recession, says one thing with a single voice. The government succeeded in bring labour and business together on the one single, dominant point that the dollar in this country is far too high and that we have to reduce interest rates further so that we get a competitive level of dollar. The Economic Council, the government's own body, has suggested 78 or 80 cents.

We have a government that has changed the unemployment insurance system so that there are far more people being forced into the destructive experience of having to receive welfare payments to keep their families together.

We have seen the destruction of our manufacturing base. We need investment in the future, in training, in research and development, in new institutions to channel capital into the rebuilding of our manufacturing sector.

This government is giving us none of that kind of leadership. Instead, it gives us the bill that is in front of us this morning. This legislation is as mean-minded, penny-pinching and as non-creative as any of its previous legislation in the last seven years.

• (1140)

What we have in front of us is a piece of legislation which takes, at a time of a national unity crisis, the present level of support to the provincial governments and it says "we are going to cut that level of support even more in the future". It breaks its promises to the provinces with this piece of legislation, and assumes that somehow that is going to contribute to national unity.

Anybody who has any sensitivity, any sense of concern about the future unity of our country, has surely got to say to these people "for the sake of a united Canada, don't do this; don't destroy the promises that have been made in the past". These promises were broken last year, and this year the government has gone on to break them for a further three years, to 1994-95.

You cannot expect, if it continues in this way, to see medicare, which the people of this country care about so much, survive. You cannot squeeze a good system, a system which is performing so much better than its equivalent in the United States. The United States has a system where Americans spend over $2,200 U.S. per year per person for their coverage while Canadians spend under $1,600 per year per person. It costs on average for Americans $360 per day to stay in American hospitals, compared to $210 in Canada.

Here is a system that is helping our competitiveness, helping our capacity to deal effectively with competition from the United States, by giving us a much more effective, much more human, much more accessible program and the government is attacking it by cutting back the funds that are going to it.

My colleague, our health critic, is going to be talking more about this as this debate goes forward because this is one of the most dangerous parts of this piece of legislation. The government says it is going to be able to withhold other cash transfers. All that will do is increase the squeeze on the provinces, increase the conflicts with the provinces.

[*Translation*]

As we struggle with unity problems, is it wise to cut back transfer payments to the provinces? I do not think so, Madam Speaker.

[*English*]

There are other parts to this legislation too. There are amendments which reduce the ease with which members' salaries will increase. We have no problem with that. There are amendments to the Public Utilities Income Tax Transfer Act. Some of my colleagues will be talking to that. There are amendments to the Unemployment Insurance Act. Some of my colleagues will be focusing on that. Over-all, what we have here in front of us is another example of the constipated, devastating approach that this government has been taking to management of our economy. People across this country are hurting and hurting badly as a result.

All I can hope is that this debate will bring this government to its senses, that it will somehow start to recognize that it must change direction for the future good of our country and of our people.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I would like to put a few words on the record with respect to the legislation which is before the House today, to amend certain acts in order to really enforce the budget that was brought in and, specifically, the federal transfers fiscal arrangements act, which really affects the money transferred to provincial governments from the federal treasury.

The Minister of Finance made a statement in this Chamber a few moments ago which I am going to disprove. I am going to lay on the Table of the House facts that are directly contrary to what this Minister of Finance said today and what the Government of Canada said in its budget. They said that although there were cuts to the provincial governments for education and health and equalization payments, the actual dollar figure was not cut. That is what the government is saying. It is saying that the rate of increase has been cut back, but that there is no actual dollar for dollar cut to the provincial treasuries.

I have with me the official charts given to me by officials from the Department of Finance. They show some interesting facts. They show that, for example, that the province of Newfoundland will receive for this year $16.9 million less than they received last year under equalization.

What is equalization? Equalization, as defined by the Minister of Finance, is, and I quote from a letter that he wrote to me.

> —a formula set out in legislation that compares provincial governments in their abilities to raise revenues from the revenue sources typically used by all provincial governments.

In other words, a provincial government is sent every month a sum of money. The poorer provinces now, to make up for the revenues they could have received if they had the ability to raise money through taxes that the other provinces are able to raise through taxes, are given equalization.

That defines, then, what the poorer provinces are in Canada in total amounts of money. What are the poorer provinces in Canada, the top three?

• (1150)

The province that will receive the most money in equalization from the federal government is Quebec. Of the total equalization package of $8.4 billion this year, Quebec will receive about $4 billion, Manitoba about $1 billion, and Nova Scotia about $1 billion. Therefore, in total amounts of money being transferred to the provincial governments from the federal Treasury, the top three in total equalization to the poorer provinces are Quebec, Manitoba and Nova Scotia.

In looking at the figures year over year, here is the way they work out in equalization. The largest increase in equalization payments for this year will be to the province of Manitoba at $90 million more than it received last year. This is according to the federal Treasury. Then comes the Northwest Territories, which is is under what is called "territorial financing". It does not receive an equalization payment as a provincial government but will receive territorial financing of $90 million. Next comes Saskatchewan, which will receive an extra $70 million; then comes Quebec, which will receive an extra $60 million; then comes the territory of Yukon, which will receive an additional $36 million; and then there is New Brunswick; which will get an additional $25 million; Nova Scotia comes next and will receive an extra $23 million; then comes Prince Edward Island, which will get an additional $5 million.

Those are the increases in equalization for the year 1991–1992, as outlined by the Federal Department of Finance.

Madam Speaker, you will notice that I only read out nine provinces and two territories. I left out a province. I left out a province because that province is not receiving an increase. That province is receiving a decrease. It is not just a decrease of $1 million or $2 million or $3 million or $4 million or $5 million or even $10 million. No. It is a decrease of $20 million this year. Here it is on the official record, in French and English, if the Minister of Finance does not understand it. The province of Newfoundland will receive less money this year in federal equalization than it received last year.

Let us not forget it is not just equalization payments we are talking about but the total transfers to the provinces. In other words, the federal government pays money to the poorer provinces to make up for the fact that they are poorer provinces and cannot raise the revenues from taxation that other provinces can raise. It is not only that. The transfers are also for health and education. They are for grants in lieu of property taxes, reciprocal taxation, public utilities, income tax transfers, statutory subsidies, youth allowance recovery, tax points for this and tax points for that. But if we add it all up, it is

called the total transfers to the provincial governments from the federal Treasury.

The total transfers to the provincial governments are interesting numbers. This upcoming year we will see total transfers of $36.472 billion, $36.4 billion. The provinces receiving the most in Canada are Quebec and Ontario at $10 billion apiece. It is then British Columbia at $3.2 billion, Alberta at $2.7 billion, Manitoba at $1.98 billion, Nova Scotia at $1.78 billion, New Brunswick at $1.623 billion, Saskatchewan at $1.453 billion, and down it goes to include the territories as well. Newfoundland is ninth. The big three in equalization payments, as I pointed out, are Quebec, Manitoba and Nova Scotia.

I mention all of that to show on the official record that the Minister of Finance is wrong. There is a province in Canada that is receiving less equalization this year than last year. There is a province in Canada that is receiving less in total transfers this year than last year, and that is the province of Newfoundland.

If that were not enough, another strange thing happened this year. You will notice that on these charts that I am going to table it says estimated federal transfers to the provinces, territories and municipalities for the fiscal year. The reason why it says estimated transfers is that these transfers are made prior to the federal government knowing how much is actually owed to the provincial governments.

In other words, at the beginning of every year the government makes an estimate for that year and sends a cheque in the mail toward the end of the month so that the provincial governments will get it at the end of the month. The total figure for the year is an estimate and at the end of the year the government then reassesses that estimate. After all of the figures are in, in 36 months hence, three years, it will determine the actual amount of money that should have gone to those provincial governments.

What happens from time to time under these fiscal arrangements is that provincial governments are either owed money or they sometimes have to pay back money to the federal Treasury.

Last March in the federal Department of Finance in Ottawa an audit was done on the fiscal transfers to the provinces. They found out the amount of money that provinces get through taxation on cigarettes, booze, gasoline and all other taxes.

They added it up and found the actual dollar figure that each province received, the amount the government paid them, the amount the provinces thought they were going to receive in equalization transfers and then the final accounting was done. At the end of March of last year the federal government found that there were four provinces in Canada who were overpaid, from three years ago. Those four provinces were Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Do you know what that means? It means that now those provinces have to pay the money back. There is a formula for paying back the money and they have to pay it back at no more than $60 per head of population in any one year. Let us look at the figures. Who owes the money?

• (1200)

For all of Atlantic Canada in 1988 the Atlantic provinces owe $90 million to the federal Treasury. For 1989 they owe $85 million to the federal Treasury. What is interesting is that of the $90 million owed for the year 1988, the province of Newfoundland owes, according to the federal Department of Finance, $37 million. Thirty seven million dollars of the $90 million owed by the four Atlantic provinces was overpaid to the province of Newfoundland, according to the Department of Finance.

In 1989, of the $85 million that was overpaid to the four Atlantic provinces, it claims that Newfoundland was overpaid $34 million. As I explained a moment ago, the repayment schedule of limiting the amount of money to $60 per head of population per year, so as not to overburden a government every year, means that Newfoundland will be paying back that money for three fiscal years.

In other words, the only province in Canada that is paying back the federal treasury for money that the federal government claims was overpaid to them in 1988 and 1989, the only province that has to pay it back for this year and for a portion of next year, is the province of Newfoundland because the federal Treasury says: "You were paid too much money in 1988 and 1989".

Add those two facts together. Add together the fact that dollar for dollar the province of Newfoundland this year will receive far less than they got last year, and the fact that they now have to pay back millions of dollars. The cheques are sent out every two weeks, back to the federal government here in Ottawa for money that the federal government claims, and the books show the province was overpaid in 1988 and 1989.

If you were in a position to say: now, in which provincial government would I like to be the Minister of Finance? It certainly would not be the province of Newfoundland, would it? Here you are being cut back on your equalization payments, dollar for dollar, by the Government of Canada. You are being cut back on your transfer payments dollar for dollar and on top of that, you have to pay back money it claims was paid in this case to a previous government. Imagine that, a previous government. There was a Progressive Conservative government, a Tory government in power in the province of Newfoundland in 1988 and 1989.

An hon. member: They did not ask for the money then.

Mr. Baker: The Government of Canada says: Oh, we overpaid them then, so now we are sending a bill to the Newfoundland treasury and you are going to have to pay it back in three years. On top of that, we are not only going to make you pay back what the Tory government got three years ago, but we are going to cut back dollar for dollar what you get in equalization and total transfers. We are going to single you out and we are going to cut you back dollar for dollar. The government loses $16.9 million in one area and $20 million in another area. Why? According to these estimates, not only are its cash transfers down, but its total transfers are down. Its fiscal equalization is down. Its cash subtotal is down. Its general purpose transfers are down for this year, and the Minister of Finance stands up in the House and says no province is being cut. He is saying oh, there is a reduction, yes, but all provinces are getting more than they got last year.

Oh, no, that is not correct. In fact, they are not only getting less than they got last year, but they have to pay back money they got four years ago. Add to that the Minister of Finance in the province of Newfoundland paying back money the former Tory government got three years ago. Here you are trying to plan your budget and they are saying: "We are going to give you a lot less than you got last year, dollar for dollar". On top of that there is the federal government imposing a 7 per cent new tax that takes 7 per cent out of the economy of every provincial government in Canada.

I must say for the official record that I heard a newsman interview Premier Clyde Wells and ask him about the money owed. The premier said: "If Newfoundland owes it, then Newfoundland will pay it back. If we rightfully owe it on the books, in the accounting, then we will pay it back." Other leaders would have declared a day of mourning and had everybody in the province walking around with black arm bands, carrying coffins down the street. They would. Any other previous administration would have done that. But the premier of Newfoundland said that if we owe it we are going to pay it. You have to admire a man like that for his honesty and integrity, his apolitical approach to the entire question.

I think it is an outrageous thing for the Government of Canada to do and I ask them to do two things. First of all,forgive the overpayment. After all, we just forgave moneys that were owed to Canada by several foreign nations and several foreign banks. Secondly, and I will conclude with this, Madam Speaker, I know you are trying to get me to sit down; we should have a formula that says no province should actually lose money, dollar over dollar from last year, to ease the pain for those provincial administrations.

Madam Deputy Speaker: The hon. member knows that the only thing I was trying to do was tell him that his time had expired. There was no reflection upon what he was saying.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I listened with great interest to what the hon. member had to say. I wondered if there was an implication in what he was suggesting about the request for repayment of moneys from Newfoundland that perhaps the overpayment was politically motivated in 1988 because there was a Newfoundland election coming up, and perhaps the government was trying to bail out its Tory friends.

Then in 1990 the money was demanded back after the Conservative government in Newfoundland was thrown out and the people lifted the yoke of Toryism off their backs, as it were, in that election. I know they wish they had done so successfully federally as well. I wonder if he

could tell us if he thinks that the demand for payment was politically motivated. Does he feel that the Conservative government in Ottawa, having failed in its attempt to bail out its Conservative friends in Newfoundland, felt that it should demand this money back in order to burden, or punish, the people of Newfoundland for having voted other than Conservative? Is he suggesting that in his speech? If so, does he think it is a proper way for a federal government, that is supposedly bent on national unity, to behave?

Mr. Baker: Madam Speaker, there have been people who have suggested to me that perhaps the previous PC government in Newfoundland, faced with an election, gave an overestimate of the amount of equalization moneys that were due. I do not hold that opinion because I believe that although the system does lend itself to the possibility of that happening, it is not based on the amount of money that is transferred, but on an estimate. It is a guess by the federal government how much money a provincial government would be able to collect if it had the same fiscal capacity through taxation as the other so-called wealthier provinces.

• (1210)

I think it was an honest mistake on the part of the federal treasury. I do not believe though that any federal government should turn around and ask Premier Wells or any provincial premier in this nation to pay back money that a previous administration was given three years before.

What I was reading here—and I can table this—is a letter to me from the Minister of Finance explaining the entire procedure and explaining why Newfoundland is the only province in Canada paying back money this year and next. The other three provinces received over-payments that were so little they could pay it back in one year, you see. This is why he went into extensive detail to explain to me why Newfoundland was singled out. And then he attached, for my benefit, the charts that showed again that Newfoundland was singled out. On top of this, Newfoundland was the only province in Canada that received a reduction in its total transfers. He also pointed out in the chart that Newfoundland is ninth in the amount of money received from the federal Treasury—ninth of all the provinces. Newfoundland is not in the top three provinces that receive equalization money from the federal Treasury.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to direct a short comment to my colleague. I think it is important to point out the timing. When you first mentioned this incident, the question that came to my mind was that if all of a sudden I got an extra thousand dollars on my pay cheque at the end of the month, wouldn't I know? It would be up to me to go to the payroll clerk and say "here, you have made a mistake". So, I thought that surely to goodness, if there were millions and millions of extra dollars coming into a treasury, the recipient would have noticed that this tremendous sum of money was over and above what he should have received. It would be incumbent on the recipient to go back to the giver and say: "Hey, you have made a mistake, we did not expect this".

I initially wondered why the Liberal government would not have picked that up. But my colleague has just informed me that the Liberal government was not the recipient. In other words, they discovered it quite a bit later and they were not involved in the transaction. I think it is important for the member to comment on the time lapse between the original recipient and when the new government found out.

Mr. Baker: Madam Speaker, that is a very interesting point.

According to this letter from the Minister of Finance which I received just the other day, the former Progressive Conservative government of Newfoundland received $71 million more than they should have received—$71 million.

Well, as the hon. member has just pointed out, surely to goodness they should have at least looked at it and said: "Well, my goodness, where are we getting this extra money from?" I mean, it is $71 million. It is not $5 million or $10 million or $20 million—it is $71 million.

Certainly, it should have been incumbent upon them to say: "This is a rather exorbitant amount of money we are receiving."

The points made here today have not even been mentioned publicly before to my knowledge. Is it legitimate for Newfoundland to receive less money this year than last year and have to pay back all this money?

Perhaps it was a legitimate exercise, if it was politically motivated at the time. I think it was a legitimate exercise. The Government of Newfoundland has taken a position as I mentioned before. The premier says: "If it is on the books and Newfoundland owes it, brother, we are going to pay it". It is a very honourable position for the premier of Newfoundland to take.

Certainly, as I said before, there are a lot of politicians in this country who would have been very political and would have been beating the drum. They would have made political hay out of it. The premier of Newfoundland did not do that, but the premier of Newfoundland then has to turn around and cut his budgets.

There was cut, cut, cut everywhere to make up for this money that they have to pay back every month. Every two weeks they send a cheque to pay back. They have to make up for all this money, the actual dollar for dollar cut year after year. They have to pay back.

How can the Newfoundland government respect its commitments at all, having to do that? If you wanted to be a minister of finance, you sure would not want to be one in the province of Newfoundland.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the legislation before us has dire consequences for what we determine to be the poorest provinces.

There are provisions for cutting back on transfers to provinces. I understand the point the member for Gander—Grand Falls is making about the injustice of the situation, but I just want to ask him a general question.

There was a report put out by the National Council of Welfare this year called "Funding Health and Higher Education: Things are Looming". In this document, there is a chart on page 30 which shows that Newfoundland, for example, by the year 2005 will have its cash outlays cut to pretty well nothing.

I want to ask the member: How in the world can this country stay together if the richer provinces can continue to give services in the health field, in post-secondary education field and others, such as CAP, and the poorer provinces are called upon in less than 15 years to do without the federal contributions assisting them in maintaining these very good and very Canadian programs? That is, I think, a very important question.

Mr. Baker: Madam Speaker, that is perhaps the most important question of all.

As you know, Madam Speaker, we all share the opinion that the two most important things that government has to look at are health and education, hospitals and schools. My goodness gracious, if there is something that you would not touch, something that you would hold up and say: "I am not going to touch that as a budget, it has got to be hospitals."

My goodness, you would never cut back on the expenditure to hospitals, but what has happened here is this. The federal treasury gives what we call "block funding" and no longer gives dollar for dollar. When the federal government cuts back on block funding, the provincial government then has to find the dollars from some other place.

It just cannot be done because you cannot take your entire funding for wages and salaries of public employees and put it into trying to keep hospitals going.

• (1220)

You have to pay salaries. You have to do maintenance on your roads and so on. That is what the provincial governments are left with. In the case of Newfoundland—now that chart is interesting—we are practically down to zero. No money at all under block funding. If hospitals are to be kept open in Newfoundland, the provincial government has to take the money from everything else. That is a tragedy.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I welcome this opportunity to speak at the second reading stage of Bill C-20.

It was not my intention to comment on federal payments to the province of Newfoundland, but after the hon. member's speech, I feel I should set the record straight.

First of all, federal transfer payments to the provinces, including Newfoundland, are statutory and subject to certain calculations, to ensure that annually, and I would

almost say in advance, the provinces receive the money to which they are entitled under a number of existing programs.

When I hear the hon. member complain that Newfoundland has to pay back money to the federal government, I may remind him that the amount Newfoundland received was more than the amount to which it was entitled after the final calculations were made. I will get back to this later.

So in this case, it is perfectly normal for Newfoundland to pay the money back to the federal government, as it would be for any other province, whether we are talking about Alberta or British Columbia or Quebec. All the provinces are governed by the same legislation. Madam Speaker, the hon. member also said—and I am not sure how he figured this out—that Newfoundland would receive less money this year or the year after. This is just not true. In 1991–92, Newfoundland will receive more money under all programs—I will elaborate on some of these later on—than it received in 1990–91. This applies to all programs, including equalization, established programs financing, and so forth.

I wanted to set the record straight because the hon. member got carried away by his subject, with figures that were probably inaccurate, but my point is, Newfoundland was not penalized in any way.

To get back to Bill C–20, the proposed legislation affects several areas. The two main ones are federal–provincial fiscal arrangements and the Parliament of Canada Act. When we talk about federal–provincial fiscal arrangements, we must be careful because there are several kinds. In Quebec, when we talk about federal money, the first word that comes to mind is equalization. This is one kind of transfer payment. There is also established programs financing.

Very briefly, established programs financing involves money that is distributed annually by the federal government to all provinces on an equal basis. Each province gets the same amount per capita, and whether I happen to live in Newfoundland, British Columbia or Quebec, the federal government sends the same amount.

Equalization—which is different—is a special program to help provinces who need more assistance in funding health care and education. Equalization payments are received annually by the four Atlantic provinces, Quebec and occasionally Manitoba.

And here is another distinction: federal money goes to the provinces in two forms: as tax points and as cash.

This year, the federal government will give Quebec about $11 billion. It does this through the equalization program and EPF, established programs financing. How does the government pay? That is indeed the question. There are two ways: tax points and cash. Mainly in Quebec, the amount paid in the form of tax points is much higher. Madam Speaker, perhaps you will remember that when you files your income tax return like all Quebecers, and I see it was a delightful experience, there was one line on the return for Quebec residents where it shows 16.5 per cent, because Quebec collects more income tax from its residents than the other provinces. This means that the amount on the cheque the federal government sends to the Province of Quebec is not as high, because the province has already collected the difference via the tax return you filed on April 30 like any good Quebecer.

So we have two programs under which Quebec receives money, and two ways in which the federal government pays the money to the province: income tax collected directly by the province from Quebec residents and the amount on the cheque sent by Ottawa.

Madam Speaker, recently there were reports and comments by various sources to the effect that in a few years, Quebec would no longer be receiving money from Ottawa. That is probably what will happen. It does not mean that the federal government gives the province less money. In fact—and I will quote the figures later on—the annual amount received by the Province of Quebec, like the amount received by the hon. member's Province of Ontario or by any other province, increases every year, but the amount on the cheque written by the federal government may go down because the province may be collecting more money directly in the form of income tax.

Madam Speaker, perhaps I may quote a few figures that are vital to this discussion and also to opposition members' understanding of Bill C–20 and that of the general public as well.

In 1984–85, Quebec received $8.1 billion from the federal government, which means $1,256 per capita. The federal government paid the province the equivalent of $1,256 per capita in 1984–85. For 1990–91, the amount is $10.1 billion, which means $1,503 per capita will be

received by Quebec in 1990–91, as money transferred by the federal government to the provinces.

An hon. member: What would it have been otherwise?

The hon. member says: what would it have been otherwise? That is not the point. The point is that annually, the federal government transfers more to the provinces percentage-wise that it spends on program spending. The federal government's expenditures are around 3 per cent per year, and we have maintained that so far, despite the fact that the opposition keeps telling us to reduce the deficit and at the same time spend more. We are working on the deficit, and we are maintaining increases in program spending at 3 per cent, the exception being transfers to the provinces that are now growing at a rate of almost 4 per cent per year.

So we have to keep these figures in mind. If we look at the provincial governments, Madam speaker, we see that the increase there is about 6 per cent. Well, the national debt is very national. It is the debt of all Canadians. Whether I live in British Columbia or Prince Edward Island, as a Canadian I have to cope with a problem that is called the national debt. Today, the national debt is more than $15,000 per individual, per Canadian. Each and everyone of us, from new born babies to senior citizens, is $15,000 in debt. Something must be done.

The measures taken by the federal government are in some cases draconian. I admit.

• (1230)

Last Friday, I took part in a lunchtime open line radio program at the CHLM radio station in Trois-Rivières and the announcer, Michel Charland, was saying that Canadians feel they are paying a lot of taxes, if not too much. My reply was this: "It is true that we are heavily taxed, but we have many services and an enormous debt." This debt, Madam Speaker, has to be paid off; otherwise—if we keep increasing our spending by 6,7 or 8 per cent every year—the future generations will not be able to even dream of any new programs.

Just think, Madam Speaker, that 35 cents out of every tax dollar collected by the federal government is taken up to pay, not the capital, but the interest on this debt we inherited from the Liberal government. Let us call a spade a spade. When we came into office, the accumulated debt was $200 billion. Granted, it has increased. But, Madam Speaker, the national debt has grown by the amount of the interest payments we have had to make every year. Had it not been for this debt we inherited in 1984 and the interest to be paid on it, there would not be a annual deficit.

The Opposition gets angry, Madam Speaker, when we mention the debt they left us but it is the truth. There is a debt and we have to live with it.

But, I would like to come back to Bill C-20, if I may. The good thing about this, Madam Speaker, is that it wakes them up to hear me talk about their debt and our debt. I was just trying to explain to my colleague opposite that, had it not been for the interest we had to pay on these $200 billion, we would not have ended up with an annual deficit and, with no annual deficit, the debt would not have increased. It is as simple as that. So, 35 cents out of every tax dollar goes to pay the interest on our debt, the debt of all Canadians.

Madam Speaker, the federal government must continue on the course set out in 1984 and administer while recognizing, provincial needs regarding education, health, etc. Let me give you more figures, Madam Speaker. In 1992–93, Quebec will receive $10.8 billion from the federal government. That's $1,575 per capita. You will remember that I said that, this year, it is $1,503.

So, there is indeed an annual increase, and I could give the figures for all the provinces, Madam Speaker, because they will all get more next year that they got this year. Now, Bill C-20 calls for a reduction in this increase, so that the provinces can do their share and help us deal with the national debt and deficit problem we are faced with.

We could increase transfer payments further. That could be done, but the question would remain: where shall the money come from? If the national debt could be paid off tomorrow morning, which would mean no more deficit, we would not have to pay interest charges anymore. We would then have about $30 billion available every year to create programs to help Canadians, $30 billion to develop new programs, create jobs and make life yet easier for the people of Quebec and Canada. This is the amount we have to use right now to pay interest charges. The limit on the credit card has been reached,

Madam Speaker, as it was in 1984. And what we have been trying to do ever since is precisely to pay off the interest on the debt and, by 1994, no longer have to borrow so that we can start paying back our debt the normal way, the way a country is normally administered. That is one of the aspects covered in Bill C–20.

As you know, Madam Speaker, in 1984, the federal government was spending $15 billion more, not $15 million but $15 billion—we are not talking peanuts here—every year than was coming in. The Canadian people were getting $15 billion more, in programs of all kinds, thant they were paying for in taxes. This contributed to the annual increase in the deficit and the national debt.

This year, we will be spending $10 billion less on programs than we will be collecting in taxes. Now, that's good management! That is what all the people who are watching us do, how the head of the family manages the household budget: they spend a little less than they earn and set some money aside. And that is what we have managed to do over the past five years. In just five years, we turned a $15 billion deficit in a $10 billion profit, a $25 billion improvement. It was no easy task. How did we do it? We made unpopular but necessary cuts and increased taxes a tad. But 70 percent of these $25 billion that have changed columns come from cuts within government, while 30 percent come from increased taxes. The tax increase was only 30 percent, not 100 percent, as the Opposition said. To achieve this turnaround, we brought government spending down by 70 percent, and more needs to be done, Madam Speaker. All is not well yet. There is one major outstanding problem.

There is nothing I would like better, Madam Speaker, than to hear the Opposition say they agree with Bill C–20. The time has come to work all together, the NDP and the Liberals along with the government, to settle the financial situation of the country. Among industrialized countries, Canada is the one with the largest debt. Every Canadian man and woman is $15,000 into debt without having received anything for it. I think that of members opposite for Bill C–20 the support.

There is another aspect of this legislation that I have heard hardly any comment about so far and that is the freeze on the salaries payable to the members of Parliament, including government members, opposition members, Cabinet members and the Prime Minister. Bill C–20 contains a provision whereby, next year, the percentage increase of the MPs and ministers' salaries would not exceed the average percentage in the public service of Canada. That is to say that, if federal civil servants do not get a raise, neither will the hon. members. And you are well aware that we are not necessarily planning on giving civil servants a raise.

So, I hope the opposition will support this piece of legislation to set an example for all Canadians. By voting against Bill C–20, they will be voting for a raise. I think that, in these difficult times, as they take such malicious pleasure to point out, the members opposite should join members of Cabinet and government members to show leadership and do what has to be done.

The other provision of Bill C–20 which did not get much publicity is the four–year freeze on the operating and capital budgets of all federal departments. This means that if next year a department wants to set up something new or increase its operations, it will not be able to get new money. It will not be able to knock on Treasury Board's door or ask the Minister of Finance or anyone else. It can't say: I need extra money for my budget because I have a special item. That won't work. All capital spending and operating budgets are frozen.

• (1240)

If they want to get around that, it will take another bill to allow department *X* to spend more than was provided in its budget for 1990–91. It would take another bill, so I imagine that frozen means frozen.

In concluding, Madam Speaker, and I see you are signalling that my time is almost up, I want to make it quite clear that all monies collected under the GST, as well as all revenue from privatization operations, will be used only to reduce our national debt. This money will not be used for new programs, new budgets or anything else. I think that is important, and that it will help improve our quality of life and the economic situation in this country.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I would like to make a few comments and perhaps pose a couple of questions to the hon. member in debating this bill.

I think the hon. member is trying to make a case that Canadians should be preoccupied with the deficit of money, but not the deficit of lives. In this bill there will be a cut in funding to provinces, a cut in education, a cut in health care. Many other complications are also emanating from this bill before us today.

In matters of education, I would like to indicate to the House that a consequence of cuts in funding to transfer payments to the provinces will be a cut to post-secondary education. We already know that over one million children are poor in this country and that one of the consequences of poverty is dropping out of school. We have heard Canadians tell us, and it has been debated in this House, that we should be competitive in the world. I ask the hon. member, if we do not have an educated citizenry how can we have a competitive citizenry?

In pursuing the economic argument, I wonder if the hon. member has read the Senate report on poverty released in January of this year. There is a beautiful analysis in the document telling us that if you spent $5 billion today for the poor of our country and for the poor children, you would reduce the number of school drop-outs by 186,000. Over a period of 20 years there would be a net return of some $27 billion.

I would like to ask the hon. member if he disagrees with this well-researched analysis. Will he agree that it is not deficit spending to spend $5 billion today when you can, in return, get $27 million in productivity, in revenues, in payment to the unemployment insurance program, in reduced claims from the unemployment insurance program and in reduced claims from social assistance programs?

I would like to see the economics of this government.

While I am on my feet, I would just like to ask the hon. member: What is the distribution of the national debt? He alluded to our debt being equivalent to the debt of every single Canadian. I think that is a very simplistic analysis, and I think the hon. member must answer to Canadians. To whom do we owe money? I am told by the Library of Parliament that at least 20 per cent of the total national debt is owed to the Bank of Canada. Who owns the Bank of Canada? The Government of Canada.

An hon. member: No.

Mr. Pagtakhan: The hon. member is saying no. Is the hon. member saying that the money that goes to the Bank of Canada is not revenue for the Government of Canada? .I would like the hon. member to research his information.

I have the figures here for total health expenditures for selected years from 1960 to 1990. The expenditure is expressed in terms of the per cent of the Gross National Product. In 1960 it was about $2.1 billion, 5.5 per cent of the Gross National Product. In 1984 it was $37 billion, 8.6 per cent and in 1990 it was $60 billion, about 9.2 per cent of the Gross National Product. Since 1984 there has been only a .6 per cent increase of the per cent of the Gross National Product. The Gross National Product is one way of telling our capability to pay.

Madam Deputy Speaker: I am sorry to interrupt the hon. member. Is he aware that he was recognized on questions and comments? Let us call it comments and questions if you like. I am sorry I interrupted the hon. member. I thought he was really getting into debate at this time. I imagine he will want to allow the parliamentary secretary some time to answer. There are about three minutes left to answer the hon. member for Winnipeg North.

Mr. Pagtakhan: Madam Speaker, I realize that. I will conclude at this point by indicating that since 1975 the rate of growth in national health expenditures has been similar to the growth in the Gross National Product. The capacity of Canadians to pay has been there. I would like the hon. member to explain his government's rationale, its preoccupation with the deficit spending. Let us speak of the deficit of lives.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Madam Speaker, I see I have very little time to answer the hon. member's question.

I would like to start by repeating a very important point which the hon. member does not seem to have understood. He says we are cutting amounts transferred to the provinces. I gave an example which shows we are not cutting, only reducing the annual increase in transfer payments. A cut—the people of Trois-Rivières will understand—is when you earn $500 a week and your boss says: Well, now you will get $400 a week. That is a cut. However, if you earn $500 a week, and you were supposed to get $550 but your boss says: No, you won't

get more than $525, that is not a cut, because I am now earning more than I was earning before.

So transfer payments to the provinces are not being cut but the increase in those payments is being reduced. I hope the hon. member understands, because if we are not talking about the same thing, there is bound to be a problem, whether a person is asking or answering the question. So transfer payments to the provinces are not being cut but there is a reduction in the usual increase.

The hon. member also wanted to know to whom we owe all this money. We owe this debt partly to Canadians and partly to people outside Canada. But this is all part of the old Liberal philosophy, Madam Speaker, which maintains that the debt doesn't matter because we owe the money to Canadians. If I owe my brother $100,000 and my sister $200,000 and my father $300,000, and I have no money at all, when I go to the bank for a loan, can I tell them: No, I don't owe any money, I just owe money to my family? When I open my books for the bank, Madam Speaker, it doesn't matter who lent me the money. I still owe it!

The same is true here. Canada's debt which is partly owed to Canadians and partly to people outside the country is still a debt, whether we owe the money to Canadians or to non-Canadians. And internationally, when other countries look at Canada and its debt, they say: Canada, your debt is $400 billion. They don't care who lent us the money. It is still $400 billion.

I went to Japan recently, and we talked about this. They don't care who lent us the money. Their question is: Do you owe that much? Yes, we do.

• (1250)

Madam Speaker, I think we should get rid of this Liberal philosophy that it doesn't matter as long as we borrow from Canadians. Madam Speaker, this is very serious! And when I say that the federal government owes $400 billion, I am not talking about the money owed by the various provincial governments. If I happen to be an investor looking for a country to invest my money, and I look at Canada and I do some figuring, well, I don't think we have that much to offer, compared with other countries. And that is why we must deal with this problem.

Madam Speaker, my time has expired. Thank you for your patience.

[*English*]

Mr. George Proud (Hillsborough): Madam Speaker, I rise to participate in debate of Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament February 26, 1991. It is debate on the values and ideals which are fundamental to our society and the institutions through which we maintain a national standard. These ideals and values are quickly being eliminated from the face of Canada.

The Minister of Finance, in this budget just as in the last budget, is continuing on course in passing the buck to the provinces of this country. The federal government has simply transferred their federal fiscal problems to other levels of government.

At this time I would like to draw attention to a statement made in the House, since we are great at going back 10 or so years, by the member of Parliament for Etobicoke Centre in March, 1982, in which he criticized the government of the day for shifting the financial burden to the provinces by reducing transfer payments. This is still true today.

The current five-year freeze on the EPF, Established Programs Financing, will substantially reduce the funds available to the provinces. By freezing transfers to the provinces, the government is clearly and systematically destroying Canada's health care and post-secondary educational systems at a time when the U.S.A. is trying and is hopefully going to find ways to implement a health care system in that country.

Each year as the population increases, students realize the necessity for higher education and the demand for classroom space escalates. While the number of instructors per students declines, the funding diminishes.

Students now face higher tuition fees. UPEI, opening in September, is predicting that tuition increases will be 15 per cent. Add that to the fact that there are not many jobs out there for students. There are higher tuition fees, overcrowded classrooms and the burden of other cost-maintenance measures which the smaller provinces are forced to administer.

Federal funding in post-secondary education is imperative to keep tuition fees from becoming unaffordable for most Canadians and to ensure better access to higher education for low-income people. This is a must.

We must not let our education system become a system for only the wealthy people in this country.

No wonder we have a problem with national unity. The federal government is forcing the provinces to compete with one another for insufficient funding.

Over the next two years Prince Edward Island will lose $12 million in transfer payments. This will spell higher taxes and fewer social programs, and most of all, it will sever Atlantic Canada's lifeline.

The writing is clearly on the wall. Social programs and medicare appear targeted as the first to go. Smaller provinces and territories will not be able to hold the system together or support the development of new or innovative health programs. How can the federal government expect a small province to maintain national health care standards when it slashes the EPF?

I again draw your attention to the member for Etobicoke Centre when in 1982 he stated that all Canadians will suffer from a cut in services for post-secondary education and health resulting from cuts to Established Programs Financing.

As our health care system advances, we find people living longer lives and the costs of high technology and medical equipment rising. With cuts to transfer payments, the provinces are forced either to slash essential services or impose higher taxes on the already overburdened taxpayer.

To cite again my hon. colleague for Etobicoke Centre, the government does not seem to realize that there is only one taxpayer who pays the taxes for the federal, provincial and municipal governments. The taxpayer does not care where services come from; what the taxpayer wants is to see service provided to meet his or her needs. As my hon. colleague stated almost 10 years ago, this government is showing utter contempt for that taxpayer.

At one time Canada maintained national standards for health care and other basic services, but no more. In the last budget the federal government vowed to maintain national standards through new legislation. Indeed, we now have a national standard, a national standard which is the slow death of medicare. It has become the standard in every province.

We need a strong federal presence in all social programs to ensure that Canadians will have access to similar services and similar benefits no matter where they live. A strong federal presence is impossible without a strong federal financial commitment. Without federal leverage, provinces can and probably will impose user fees for medical and hospital services. This is a backward step which will deter poor people from seeking the care they need and are entitled to.

On the other hand, it could be difficult for Canadians to have full medicare coverage when travelling outside their home provinces. Has the government forgotten that federal funding in the field of health was the incentive that lead to the development of medicare in all provinces and territories? Regional disparities have always been a problem throughout our history. Without substantial financial contributions from the federal government, regional disparities will continue to grow and affect our national standard of living.

There is no conceivable means whereby provinces like Prince Edward Island will be able to afford half of the meagre social programs existing today, unless there is strong federal financial commitment to uphold the national standard.

It will be difficult, much more difficult for poorer provinces to provide accessible and affordable programs to their residents.

In my riding of Hillsborough, a great many people are on fixed or low incomes or are seasonally employed. I strongly emphasize this is neither by choice nor by laziness. These people now have the added burden of paying the GST. The federal government will not even reimburse the rebate credit to those taxpayers under 19.

In the past, cash payments from the federal government have made it possible for Canadians to have highly developed systems of medicare and post-secondary education. Any cuts which threaten the integrity of these programs are a direct affront to the fundamental values and ideals of the Canadian people.

I would conclude by saying that Prince Edward Islanders are fully aware of the deficit problem that Canada is facing and are more than willing to pay their fair share. The federal government must realize that it cannot pass its fiscal mismanagement on to the provincial and municipal governments of this country.

Madam Deputy Speaker: Unfortunately, I will have to interrupt the honourable member and wish him *bon appétit* as it is one o'clock p.m. I will now leave the chair until two o'clock p.m.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

TRUCKING INDUSTRY

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, although it has been over a month since Canadian truckers, frustrated by this government's inaction, blockaded major highways in Ontario, the government has yet to deal or to act with the mess that deregulation has caused. Yet there is much it could do if it wanted to.

For example, deregulation has resulted in making $100 million worth of transport licences worthless. This has had a devastating impact on a trucking firm's equity base.

In the United States in 1980 when the trucking industry was deregulated, the American government gave its carriers a three-year accelerated write-off on these licences. I call on the government to do this in Canada for our tuckers and to offer loan guarantees for these authorities until that time at which the firm's equity base can be restored.

Truckers cannot afford to wait any longer for this government to act. As we saw a month ago, if this government does not act it could be a long, hot, slow summer on our nation's highways.

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OFFICIAL LANGUAGES

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, a disconcerting new phrase has crept into Canada's national unity debate which frequently is used to misrepresent the values of our official languages legislation. That phrase is "enforced bilingualism". Those words tend to imply that bilingualism is a mandatory requirement which is imposed, perhaps unfairly or unjustly, upon individual Canadians.

In reality the reverse is true. Rather than imposing either or both official languages upon any citizen, the concept of bilingualism actually provides the freedom for each one of us to live completely in only one language in Canada if that may be our wish. Therein lies the basic value of bilingualism.

The Official Languages Act provides that Canadians can and must be served by the federal government in the language of their choice. The intent of that legislation is linguistic freedom, not linguistic imposition. To be sure, the concept of bilingualism does impose special linguistic capabilities upon government in order to serve the people. The fundamental purpose remains, however, to make individual Canadians free to be unilingual and to live fully in this country in either English or French.

To describe the concept as "enforced bilingualism" is to really miss the true values of linguistic freedom which must be inherent in a generous and tolerant Canadian society.

* * *

POVERTY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, yesterday we were reminded that the feminization of poverty is not an academic theory but rather an undisputed and acknowledged fact.

Jean Swanson of the National Anti-Poverty Organization, at the government's own symposium on women and the law, noted that many women today are forced by Canada's inadequate social support system to commit crimes of survival such as writing bad cheques, shoplifting and prostitution.

The federal government is retreating into the Middle Ages by cutting social programs. This government sees support for low income Canadians as charity, not as a right, not as an entitlement. It has cut unemployment insurance, capped the Canada Assistance Plan, and kept the minimum wage below a living wage.

All Canadians, and especially single parent women and their dependent children, are being sunk deeper into poverty. How much more evidence does this government need before it realizes that antiquated social policies are

forcing all Canadians, and especially women, to make impossible choices just to survive?

This is deplorable and Canadians should be outraged.

* * *

FIRST COMBAT ENGINEER REGIMENT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I rise to bring to the attention of Canadians the efforts of the First Combat Engineer Regiment and its ongoing activities in the Persian Gulf.

The fighting in the Persian Gulf is over and the majority of the media has gone on to other issues, but the very important and extremely dangerous duties of our engineers continue. It is not a glamorous job, but it is an integral part of the United Nations effort to restore peace and safety to the border area between Kuwait and Iraq.

What is this onerous task that takes 250 members of our engineering regiment from their home at Canadian Forces Base Chilliwack? What is it that causes families to be separated and worry to be the order of the day? These very brave men and women are clearing unexploded ordinances from the Kuwait–Iraq border so that unsuspecting people will not get hurt. These people are finding and defusing bombs. They are laying their lives on the line every day, doing whatever it takes to ensure the safety of others.

I pay tribute to the brave Canadians of Chilliwack's First Combat Engineer Regiment. I wish them Godspeed and safety in their duties. I pay tribute to the families in Chilliwack who worry and wait for the return of their loved ones. I wish them strength. Canadians thank them for their service.

* * *

BILL 178

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, English speaking Canadians who live in Quebec, Canada's French speaking province, a province of cultural plurality and diversity, also want their rights as Canadian citizens respected.

The English of Quebec believe it is time to reaffirm their place in a dynamic Quebec and a dynamic Canada and want to stop the outflow of Quebecers, young Quebecers.

We are uncomfortable with the removal of our rights of presence and we want Bill 178 removed. It is disrespectful, offensive and neither reasonable nor justified. Removing Bill 178 would let all Canadians feel at home in Quebec and anywhere else in Canada for speaking and working in French or English is an economic, social and cultural asset.

Language itself is not the issue. It is rights and freedoms in a democracy that are at stake.

I sincerely hope the Minister responsible for Constitutional Affairs will remember in discussions with Premier Bourassa and other leaders the profound Canadian belief that you advance neither society nor its majority by diminishing the rights of any minority: English, French, aboriginal or any other minority group in our society.

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[*Translation*]

FOREIGN INVESTORS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the Canadian government's indebtedness is a serious problem, but it is not as disastrous as we describe it so often. In fact, it is a problem which Ottawa controls much better today than it did a few years back, in spite of accounting appearances and large figures.

In certain respects, we are doing the same thing as with the assessment of the Free Trade Agreement between Canada and the United States.

According to a recent study by the Bank of Canada, the Canadian economy has shown in 1990 a positive balance of $4.3 billion in foreign investments. It was the first time in 16 years that Canada had such a positive record. According to some economists, this positive balance is due only to the fact that Canadian investments abroad were lower last year. However the Bank of Canada believes that it is a positive effect of the Free Trade Agreement, which made Canada more attractive to foreign investors.

Mr. Speaker, one fact remains: Canada never had such a positive balance in 16 years.

S. O. 31

[*English*]

ASSEMBLY OF FIRST NATIONS

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, Georges Erasmus is retiring today as Chief of the AFN, that is, the Assembly of First Nations.

I have known Georges Erasmus from about 15 years ago when I was with the Berger commission up in the north. At that time Canada got its first view of an incredibly talented generation of native Canadian leaders. Georges Erasmus, a Dene from the Northwest Territories, is one of those leaders.

I wish to acknowledge in the House of Commons his work in the constitutional conferences, his administration of the AFN, and his energy and determination on behalf of Canada's first peoples. He is a tough and effective foe of government no matter what the stripe of that government, and he warned us of explosive grievances in the native communities.

I want to express the personal hope that Mr. Erasmus will spend a little time, perhaps in the Gray Lakes area of the Northwest Territories, will mellow out a bit, and will come back to serve the first nations and to serve Canada as he has done so effectively in the past.

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CONSTITUENT ASSEMBLY

Hon. Alan Redway (Don Valley East): Mr. Speaker, Alberta's Premier Getty says that we need greater decentralization but recent public hearings found that Albertans favour a stronger, not a weaker, federal government.

Quebec minister Remillard says that his province will not participate in a constituent assembly, but a recent poll says 57 per cent of Quebec residents favour holding a constituent assembly.

If the recommendations of a constituent assembly were subjected to ratification by a federally sponsored referendum tabulated on a province by province basis, the real feelings of the people of each province would be made abundantly clear to their federal and provincial representatives.

After all, Premier Getty and Mr. Remillard certainly would not be the first Canadian politicians whose views did not correspond to the wishes of the people they were elected to represent.

* * *

DRUGS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, yesterday a number of members of Parliament from both sides of this House met with the Drug Legislation and Enforcement Policy Committee of the Toronto Mayor's Task Force on Drugs. The municipal politicians need our help federally in two ways.

I want to know why this government, despite repeated requests, has done nothing? When will the Minister of Justice return the money used in undercover operations to the municipal police? Currently the police invest money for the undercover purchase of drugs. When the dealers are busted the money is kept by the federal government. It should be returned to the community to continue to fight against drugs.

Also, there must be a full review made of the Supreme Court Decision in the Duarte case. The police were told that the use of the audio and audio-visual taping equipment was not allowed, but they need that tool as undercover backup.

We are going to lose a whole generation of children unless we stop delaying and start to work to win the war against drugs.

* * *

CROSS-BORDER SHOPPING

Mr. Garth Turner (Halton—Peel): Mr. Speaker, cross-border shopping is a form of tax revolt now being performed by thousands of Canadians. Let me point out that these Canadians believe they have every right to cross the border and shop in the U.S. despite the ruinous effects on Canadian business, but cross-border shoppers have no right to think they can be cross-border smugglers.

• (1410)

I want to rise today and praise the Minister of National Revenue. He has invested many hours in understanding the complexities of this problem and in listening to people living in border communities.

Now he has taken action. Soon cross-border smugglers will face additional personnel when they return to Canada and stiff new penalties on those goods they have tried to hide. Cross-border smugglers should no longer be above the law. They should not penalize the rest of Canadian taxpayers by trying to avoid paying the taxes which support the great services in this country. Cross-border smugglers must be shown the way, and the minister has had the guts to stand up and do exactly that.

* * *

MINERS' MEMORIAL DAY

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, today, June 11, marks Miners' Memorial Day in my riding of Cape Breton. Miners' Memorial Day, also known as Davis' Day, is a day to honour the many coal miners who have fallen victim to the hazards of coal mining.

The coal mines have been a part of our history on the Island and they have claimed many lives. The cold, dark, and dreary pit has taken many a father, a brother, an uncle and yes, many sons.

Today we honour those brave men and we give special thought to the families who remember this day with great sadness and loss.

Mining has changed through the years but yet the mines and the miners are still a pride for all of Cape Breton. We look at our coal mines with a sense of respect and yes, a sense of fear.

I would like to join with my constituents on this Miners' Memorial Day in remembering those who were lost and to pray for the safety of those who still carry on the great tradition of the Cape Breton coal miner.

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THE ENVIRONMENT

Mr. Stan Wilbee (Delta): Mr. Speaker, as we are all aware, the environment is an issue that affects us all. It transcends all boundaries, be they geographical, political or ideological.

Ensuring a healthy future for our environment demands a tremendous level of co-operation. The Fraser River clean-up, announced June 1 in my riding of Delta, is the product of such co-operation.

Many groups, from environmentalists to industry, municipal, provincial and federal governments, have all played important roles in putting this clean-up program together.

The challenge now will be to build on the partnerships that have been established and to extend them to involve everyone who lives or works in the Fraser watershed. As the Minister for the Environment has said, the Fraser River is at a critical stage. By acting together and by acting now, we can save the Fraser for future generations to use and enjoy.

The headline in *Vancouver Province* reads: "Good news for fish". The $100 million clean-up plan is good news not just for fish, but for everyone in British Columbia.

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BLUEBERRY INDUSTRY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, the blueberry industry of Nova Scotia has grown from a million pounds production in 1953 to about 20 million pounds production today. The value to the province each year is in the area of $30 million. Most of the blueberry crop is processed and exported, making it the most valuable exported horticultural crop in Atlantic Canada.

Considering this tremendous growth, the value to the economy, and that it is a major export competing with products from other countries, it was disappointing when the Department of Agriculture research station in Nappan, Nova Scotia discontinued research on blueberries a few years ago. The industry is now concerned that the remaining research being done at the Kentville research station is being threatened.

Research is being done on varieties, chemicals, production and harvesting. Research includes machinery and materials and in the past has resulted in significant strides ahead in blueberry production.

It is absolutely necessary that the Department of Agriculture continue this research if the industry is to continue to grow and be competitive.

Oral questions

SHIPBUILDING INDUSTRY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, on Saturday in Halifax at the National Convention of the New Democratic Party, a resolution was passed that gives a clear indication that the Canadian shipbuilding industry will be taken seriously by a New Democratic government.

This resolution gives balanced support to all aspects of the industry—construction, supply of components, training, labour—and states that amendments will be made to the Canadian Shipping Act that will require Canadian ships to be built in Canadian shipyards by Canadian workers, then to be crewed by Canadians when carrying Canadian goods.

At the moment any ship built anywhere in the world can call itself Canadian as long as it flies the Canadian flag. This is wrong and is damaging the survival of the struggling Canadian shipbuilding and repair industry.

With the implementation of this resolution, that situation will change. For the first time the shipbuilding industry in this country has the assurance that a government of Canada will do what it can to protect the industry.

* * *

THE ENVIRONMENT

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, it is very said to read the June *Globe and Mail* report of the environmental embarrassment that is the Barbara Weit River in western Prince Edward Island.

Choked by potato processing waste starch from the Irving owned Cavendish Farms plant and raw sewage from the town of Kensington, the river will not even grow seaweed.

Would it not have been nice during Environment Week to announce that federal and provincial governments would support and encourage those good corporate citizens, the Irvings, in building a fuel ethanol plant utilizing cull potatoes and this starch waste rather than putting up a $10 million sewage treatment plant.

The Irvings could then use this ethanol as a source of octane for their gasoline operations while providing diversified employment for the Summerside region.

ORAL QUESTION PERIOD

[*Translation*]

TRANSFER PAYMENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Acting Minister of National Health and Welfare.

For months now, his government has been denying that transfer payments to the provinces for health care and education are being cut. We know now, following the tabling of documents by the Quebec Health Minister yesterday, that in six years transfer payments to Quebec will be reduced to nothing, zero, zilch.

Is the government now willing to admit that these cuts are threatening our universal medicare system?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, we will never point out enough how the hon. member for Hamilton East is ill informed and how much she is consistently distorting the facts.

Mr. Speaker, the hon. member must know that transfer payments to the provinces in the health field come under two headings: cash transfers and tax point transfers.

In 1977, when her party was in power, the government of the day granted, to Quebec in particular, additional tax points to give, I presume, more responsibilities and more flexibility. This is why, starting in 1996, Mr. Speaker, all transfers from the federal government will come to Quebec as tax points that it will be able to manage as it pleases.

I wish the hon. member would tell the people from Quebec who are listening that she is against them managing their own health care system, Mr. Speaker.

[*English*]

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

Canadian taxpayers want to send one message to the minister's finance meeting, one clear, unanimous message: We are paying too much tax to too many governments.

Can the government explain how increasing the number of tax collectors will make the system fairer for ordinary Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. Acting Leader of the Opposition would agree that we do have a serious fiscal problem in this country. I think all governments, federal and provincial, are addressing the fact that we must try to weed out any inefficiencies in the system and try to deliver our services as a government, as all governments, in a more effective and efficient way.

On that score, all governments agree with that fundamental philosophy. It is not a matter of cutting back services. It is a matter of trying to deliver the same standard of services but to do it in a more effective and efficient manner.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, according to the study released yesterday by the Quebec Minister of Finance, from 1990 to 1995 the federal share of health care costs will be reduced from 40 per cent to 32 per cent. It is on a downward, slippery slope that is causing a crisis in Canadian health care.

I want to ask the Minister of Finance: Is not his underlying agenda in fact to reduce transfer payments to the point where the federal government will no longer be responsible for universal health care? Does he not plan in fact to make the provinces responsible financially in that area as well?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. member knows that in this fiscal year some $37 billion will be transferred to the provinces in the form of cash and tax points. That number is going to increase each yea,r not decrease.

As a matter of fact, for the next five years there will be increases in the order of 3.7 per cent per annum and that is built upon annualized increases of 4.7 per cent per year per capita for the have provinces and 5.5 per cent per year per capita for the have not provinces.

• (1420)

Not only has the growth been increasing over the last five years, but it will continue to increase over the next five years.

[*Translation*]

THE ECONOMY

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister of Finance. Yesterday, Sidbec-Dosco announced 600 lay-offs, 275 of which are in my riding, in Ville Émard. The reason is obvious. I quote from the president of the company:

> The dollar is killing us. It is the great culprit. American steel is coming into Canada in full swing and at a very low price.

While this government is closing its eyes, companies are closing their doors. My question is as follows: How long will the government stick to its suicidal policies? How many more plants, Mr. Speaker, will have to close their doors before Canada knocks on St. Jude's door?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I have a lot of respect for the hon. member as a businessman and an entrepreneur. It would be nice to know what value he would place on the Canadian dollar and how he would go about sustaining that.

He knows very well that many factors contribute to the value of the dollar, namely the confidence within the Canadian economy both from an economic and a political point of view, the relative rate of interest, the relative rate of inflation, commodity prices, and the capital exchange market.

All those things have an effect upon the value of the dollar. Having regard to all those things, I would be interested in knowing how the hon. member would set the value of the dollar, what value he would set it at, and how he would sustain it.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, right after the next election we will answer those questions.

Some hon. members: Hear, hear.

Mr. Martin (LaSalle—Émard): If you cannot answer them, then step down and let somebody else take the job who can.

That answer is absolute nonsense. It is wanton and callous. Since 1980, the U.S. government has funnelled over $30 billion a year to the U.S. steel industry while this government's only counter has been to hike our dollar to a suicidal 87 cents.

Let there be no mistake. The government can drop interest rates by a further two points. It can tell the world that enhancing our manufacturing base is as important as targeting a tax induced inflation.

There is only one issue. This government can provide our steel industry with a level playing field. Why won't it?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is interesting to note that when I put the question to the hon. member all we saw was an absolute cop–out.

We know very well that consistent with the Liberal tradition we would end up with interest rates of 22 per cent and an inflation rate of 13 per cent.

I find it passing strange that the hon. member argues with the fact that there is confidence in the Canadian dollar, confidence in the Canadian economy and confidence in Canada as a political entity.

Why is he trying to downgrade and degrade the Canadian economy and the confidence that investors have in the country?

* * *

THE CONSTITUTION

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

Almost a year ago, I proposed on the floor of this House that we need to have a new process for building the Constitution. We need to have a process that we felt would succeed and that would have legitimacy and the faith of the Canadian people.

At the time I proposed that we should look at a process like a constituent assembly. At that time the Prime Minister said that he thought it was an idea worth consideration. Yet, in advance of the Beaudoin–Edwards report and in advance of the Spicer commission report, the government appears to have totally rejected that idea.

Why has the Prime Minister rejected the idea of having a more open process so that Canadians can be heard and listened to in the constitutional process?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, all of us in the House were interested in the quite constructive and complex discussions on national unity that occurred at the recent meeting of the New Democratic Party in Halifax.

I think that underlines the difficulty of the issues we are facing and also the importance of dealing with those in an innovative and a tolerant way. I personally want to congratulate the leader and her party on the way in which they approached those complex issues.

We have not at all ruled out a more open process. Quite the contrary. What we have done is taken the decision that at a time when we are seeking to restore confidence in this country it would be useful for us to draw the best from a parliamentary system that has served us by and large well, but also to add to that other elements that might ensure that people who feel excluded now will feel included in decisions affecting the Constitution and the future of our country.

Hon. Audrey McLaughlin (Yukon): Mr, Speaker, my supplementary question is for the Minister responsible for Constitutional Affairs.

He is right that at my party's convention this weekend we were able to bring together people from very different parts of the country with disparate views, and it was tough. He is right, it is tough. However, after a whole day of talking about national unity and what we could come to agree on, I have renewed my faith and even strengthened my faith that everyday Canadians have something useful to say on the Constitution and that we have to look for a way to include them.

Yes, we have to include politicians as they were included in that discussion on the weekend. It is not a question of by–passing elected politicians at all. In fact what I am proposing is that we have a process that includes elected politicians from all three levels and adds to it the best of the other groups that have felt excluded so that we have one voice to look at the Constitution and the future of this country.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, I think that the question has to do with whether the government is prepared to look at methods that can combine the elements that the leader of the New Democratic Party has just referred to, and the answer to that is yes.

I look forward to the opportunity to do two things: first, to discuss with her some of the ways in which that can be done in the proposal we are putting forward and, second, I look forward to reading the reports of the Beaudoin–Edwards committee which we expect will be before us on or before July 1.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my point however is: if we are going to start a new process, let us start it in a new way right from the beginning.

[*Translation*]

At this point in time, the government is suggesting a committee made up of only politicians, including a large number of non-elected senators. That committee will simply have to study the government's proposals. Will the government consider replacing that totally inadequate process with a new one, and agree to consult other political parties and start that new process now, right from the beginning?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, the question here is if we are ready to abandon a process I have discussed in general terms with other parties, as well as native leaders, a committee representing women in Canada, the Canadian Ethnocultural Council, and the premiers.

No, we do not intend to abandon an approach based on our parliamentary institutions, but we are perfectly open to suggestions that would give our fellow Canadians the opportunity to get more involved and participate fully. I have already discussed such approaches with, for example, native leaders.

I am prepared to consider some other solutions, but in a country like ours, when you discuss the importance of our traditions, of our institutions, I think it would be best to use our parliamentary system as the basis for our approach.

* * *

[*English*]

IMMIGRATION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I would like to pose a question to the Secretary of State for External Affairs.

Yesterday when I asked the whereabouts of the secret memo that had been lost in the office of the former Secretary of State for External Affairs, the present minister said:

> We are in the process of looking for the document within the department—

• (1430)

The minister has had three months to look for that document. This is a document that goes to the very heart of the credibility and responsibility of this government.

How can the government and the minister be so cavalier and casual about a secret document that has been lost in the bowels of her department for over three months?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I can only repeat what I said yesterday. I might say that because this memo did not come in the normal way and did not have the normal routing slip on it, it is a little harder to trace. We are looking for it. What can I say?

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, if the minister was at all serious about this matter, she would know that this memo came in an envelope marked "Secret." Those of us on this side of the House take that seriously, even if the minister does not.

Considering how important it is to get to the truth of this matter, is the minister prepared, if she cannot find the document, to ask the RCMP to come in so that they could find the document and Canadians can know the truth?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, if the hon. member actually took his job as seriously as I take mine, he might have discovered that since the time I became minister other serious things are going on in the world, not one of which he has asked a question about.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, on May 16 the Secretary of State for External Affairs said she welcomed a parliamentary inquiry into the Al-Mashat affair. On the same day she said the government was prepared for full disclosure.

Yesterday the government House leader told the press that it was pointless for the parliamentary inquiry to continue and that the government would be moving to shut down the committee this afternoon.

My question is for the Prime Minister. Since Parliament has clearly yet to finish its inquiry into this matter, will the Prime Minister give an undertaking to the House that the government will stick to its promise of a full inquiry?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): The hon. member has misinterpreted what I said to the press. I did not say the government would be closing down the committee, I said it was up to the committee. The facts are on the table. She knows it, everybody knows it. The committee will decide what to do.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my supplementary question is also for the Prime Minister. Given the fact that astounding new revelations are coming to light on the Al-Mashat case on a daily basis, we want to know what the government is trying to hide. Will the Prime Minister give his assurances that the inquiry will continue, and that the committee will be allowed to continue its work to get to the bottom of this affair.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): What is astounding is how they trivialize Parliament by these types of questions.

* * *

TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance with respect to cross-border shopping.

The Canadian Labour Marketing Productivity Centre has reported that the Canadian dollar is now worth 11 per cent more on purchases in the United States than it was in 1980.

Why does the government not cut interest rates more forcefully so as to reduce the value of the dollar and help Canadian border communities in that way.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that in order to bring interest rates down and to keep them down over the long term, you have to get the fundamentals right, that is attacking the inflationary pressures, inflationary psychology and expectations and that is what we are doing. As a result, interest rates have come down by over five percentage points since a year ago and the spread has narrowed between the United States and Canada from a high of about 5.5 per cent or 5.6 per cent to about 2.5 per cent. I am sure the hon. member would suggest that is a good track record. If we can keep on that track and continue to fight the root causes of inflation, hopefully we will see interest rates come down further still. That is the key to growth, that is the key to jobs and and that is the key to prosperity.

Mr. Steven W. Langdon (Essex—Windsor): A supplementary, Mr. Speaker.

There is no doubt that the government has created a problem. Thanks to the GST, cross-border trips are up an incredible 22 per cent in the first four months of this year.

Why does this government rely on the big stick approach, which has been announced by the Minister of National Revenue? Why does it not change its economic policies so that people do not have to vote against its high tax, high dollar and high interest rate policy by cross-border shopping?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, the Minister of Finance just answered that question.

Since the member makes reference to my big stick approach, I had assumed that my announcement yesterday was going in the right direction until I read the following statement: "Those are all good steps. I welcome federal efforts to beef-up customs as part of a bid to deter cross-border shopping." That was Bob Rae, the Premier of Ontario.

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IMMIGRATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to get back to the missing memo.

The government suggests that it is mere coincidence that a top secret memorandum in the Al-Mashat case has gone missing. The question is, if it was lost, who lost it? If it was stolen, who stole it? If it was shredded, who shredded it?

I would like to put a question to the Solicitor General. Why has the Solicitor General of Canada, responsible for national security, not called in the RCMP to track down the whereabouts of that particular memo?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, it is because I have not been asked to.

Mr. John Nunziata (York South—Weston): Mr. Speaker, is the Solicitor General saying that he is waiting for a telephone call from the Prime Minister to investigate a missing top secret memo?

I put the question to the Solicitor General again. The credibility of the Minister responsible for Constitutional Affairs is at issue in terms of the whereabouts of this particular memo. The minister is responsible for matters of national security. Will the Solicitor General do his job and call in the RCMP to investigate the whereabouts of that particular memo, or is he going to continue to protect his cabinet colleagues?

Mr. Speaker: The question was all right up until the end. An accusation that the Solicitor General is protecting a colleague is a completely improper allegation and I ask the hon. member to withdraw it.

Mr. Nunziata: Mr. Speaker, I would like to withdraw that and put the question to the Solicitor General. Will he not agree that he is responsible for matters of national security? Will he not agree that the RCMP should be called in to investigate the whereabouts of a top secret memo that went to the offices of the former minister of external affairs? Why is it that there is one standard of justice for ordinary Canadians and another standard for his cabinet colleagues?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, what is perfectly clear is that all the information in this case has been coming forward to the committee. We have been very forthcoming. What the information has shown is that there were some errors made. There is no smoking gun anywhere, as the hon. member has not been able to prove through all these many months because we have been very forthcoming with information.

That is it, that is all, there is no more. I am sorry, John, but there is no more.

• (1440)

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Secretary of State for External Affairs. On May 14th, the minister said that Mr. Raymond Chrétien had taken no action to make sure that his deputy minister would be informed of the Al-Mashat affair. Yet, documents made public yesterday, by the minister herself, clearly demonstrate that she was wrong. Indeed, according to those documents, Mr. Chrétien took concrete action, as early as February 27th, to inform the deputy minister, Mr. Demontigny Marchand. Is the minister prepared today, in this House, to do the honourable thing, admit her mistake and put the record straight?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, there is a divergence of opinions between the official at the deputy minister's office and those at Mr. Chrétien's office. All the information is before the committee. Everything is clear to the committee. It is up to the committee to determine which opinion is the correct one.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I am convinced that the committee will face its responsibilities. What we are trying to do here, on this side of the House, is to make sure that ministers also take on their responsibilities.

According to documents made public yesterday by the minister herself, it is clear that Mr. Chrétien is the only senior civil servant to have taken concrete action in order to inform both his minister and his deputy minister. So, in the light of this information, would the minister not be ready, in all fairness, to admit that she was wrong with regard to Mr. Raymond Chrétien, and to apologize to him for having needlessly tarnished his reputation on May 14th?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we pledged to give all the information to the committee and to the public. That is what we have done and that is all we can do. What went on before the members of the committee is clear, and the decision is theirs.

[*English*]

THE ENVIRONMENT

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, my question is for the Minister of the Environment.

Before the public ever had a chance to participate in an environmental assessment, the Rafferty–Alameda dam was built and the Oldman River dam was built. Before construction begins on any roads or dams, before any land is flooded, will the minister assure this House that there will be a single, comprehensive, environmental assessment review process on the James Bay II project, known as the Great Whale?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the member is probably aware that there have been discussions with the Government of Quebec and the Cree and the Inuit. The sense of those discussions was to try to explore whether there was a possibility of doing one single assessment. The Government of Quebec through its Minister of the Environment, Mr. Paradis, was willing to look at that question and get back to us. I expect that they will formally say whether or not they are ready to do that and we will take the matter from there.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is for the same minister. Four weeks ago the Federal Court of Canada wiped out the Kemano settlement agreement, struck down the Order in Council exemption of the project and ordered an environmental assessment review of Alcan's huge power export project in British Columbia.

Since the court concluded that time is of the essence and that environmental concerns should be dealt with in advance of construction, will the minister today undertake his legal obligations and appoint an EARP panel for Alcan's Kemano II project?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, as the member will know, the decision was rendered and is being actively reviewed by the government. There are legal and environmental considerations.

I do want to add one thing. The information I have is what the court suggested we do was not necessarily—and I stand to be corrected if it is not the case—to undertake an initial assessment that may or may not lead to an EARP panel. If I am wrong, I will correct myself. My information, if I remember correctly, was that we undertake an initial assessment that may or may not lead to an EARP panel.

* * *

GOODS AND SERVICES TAX

Mr. Garth Turner (Halton—Peel): Mr. Speaker, there now appears to be a real human cost to the Senate stalling of the GST legislation. Delays in passing the bill have in turn caused delays in building the GST processing centre in Summerside, Prince Edward Island. This has caused great uncertainty in a community which has already suffered from government cutbacks when the Canadian forces base there was closed.

My question is for the Minister of National Revenue. Can he tell the House what steps he is going to take to fulfil his statement of last September when he said: "The welfare of the civilian employees of the base whose jobs will terminate in 1991 is uppermost in our minds".

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, that statement stands. Because of the delays in the Senate last fall and winter, we were late out of the starting blocks in trying to begin preparations for the processing centre in Summerside. However, since then, with co–operation from other federal departments, we have caught up. We will begin training and hiring as early as next year and then phase in the operation.

I would like to advise the hon. member that I am meeting this afternoon with representatives of DND civilians from Summerside to assure them that this government continues to meet the commitments we made last year.

* * *

[*Translation*]

BANK OF CANADA

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Prime Minister.

The Prime Minister is no doubt aware that a number of federal agencies, including the Bank of Canada, have embarked on a policy of preventive withdrawal from Quebec. Yesterday, we heard that as of July 1, the Bank of Canada will close its international division in Montreal and withdraw the position of foreign exchange

consultant which has existed for over 20 years to help financial institutions in Quebec.

My question to the Prime Minister is this: In the circumstances and considering that one-third of foreign exchange transactions take place in Quebec, will the Prime Minister ask the Bank of Canada to reconsider this decision which runs counter to the interests of Montreal and Quebec?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, first of all, I would like to reassure the hon. member who is often concerned for the wrong reasons. No service or position or person has been transferred from Montreal to Toronto by the Bank of Canada, as a result of the restructuring he mentioned.

What is happening, Mr. Speaker, is quite straightforward, and all government departments and agencies are having to cope with this. We have asked them to help reduce the deficit, and it is a fact that at its various offices, including those in Montreal, the Bank of Canada has cut certain positions. In Montreal, this amounts to about 2.5 person-years. The people in question were offered jobs in other positions in Montreal and elsewhere, but that is as far as it went, Mr. Speaker.

* * *

AIR CANADA

Hon. Jean Lapierre (Shefford): I have a supplementary for the Prime Minister, Mr. Speaker.

Another federally-controlled agency which has been partially privatized, and I am referring to Air Canada, has changed its mind about the training centre in Montreal and moved its flight simulators to Toronto, and I just heard that as a result of a restructuring of all Air Canada flight operations, out of 16 directors there will be only one Francophone and only three in Montreal, while the others will be posted in the rest of Canada.

Can the minister give a good reason why all this has to happen at the expense of Montreal, once more?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, as everybody knows, Air Canada was privatized several years ago and has become a commercial operation that is trying to restructure its operation like any commercial business, in order to survive as long as it can and provide Canadians with an efficient transportation system.

I am surprised the hon. member opposite should be upset about the fact that a company tries to enhance its stability and thus be able to provide jobs for its employees for many more years to come.

* * *

• (1450)

[*English*]

MINISTERIAL RESPONSIBILITY

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have in my hand a booklet that I am sure the Prime Minister knows well. It is entitled *Notes on the Responsibilities of Public Servants in Relation to Parliamentary Committees*. It was issued by the Privy Council Office in December 1990 and declares most emphatically the doctrine of ministerial responsibility.

On page 6 it says as follows: "It is ministers and not officials who exercise the constitutional authority of the Crown, and it is ministers and not their officials who are responsible to Parliament."

Will the Prime Minister confirm that this is the policy of his government?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I realize this occurred before the hon. member was elected, but in 1985 the McGrath committee on parliamentary reform spent a lot of time looking at the question of ministerial responsibility. It concluded in its third report, on page 21 I believe, that the doctrine of ministerial responsibility as historically practised was outdated and no longer reflected the reality of today.

It went on to recommend that the government co-operate in making officials available for appearances at committees so that members could access officials directly. That recommendation was unanimous. All parties of the House recommended it. The government accepted it. I wonder why the hon. member will not.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I am not referring to a report of the eighties, I am referring to a document issued by the Privy Council Office in December 1990, six months ago.

On page 1 it says: "Ministers are responsible to the House for everything that is done under their authority". Will the Prime Minister have the integrity and backbone to accept this statement—

Mr. Speaker: Just a minute. The hon. member can ask if the Prime Minister wants to do something else, but using those words imputes the honour and integrity of hon. members.

Mr. Wappel: I will rephrase the question. Will the Prime Minister accept this statement and instruct his ministers involved in the Al-Mashat affair to accept ministerial responsibility for the actions of their officials?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, every single minister who was involved with this issue has been here ready to answer questions. They have appeared before committee.

In keeping with the recommendations of the McGrath committee, all of the officials who had an interest in this issue appeared before committee and answered all the questions asked by the opposition, even some of the rude and outrageous ones.

So the reality is that by being here and answering questions—even those that are out of order—for the hon. member we are showing responsibility. We are trying to comply fully with that document as well as the policy adopted by this House after the unanimous recommendation of all parties on the McGrath committee.

I think the hon. member, if he is being fair, will recognize that we fully accept responsibility.

* * *

TRUCKING INDUSTRY

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, my question is for the Minister of Transport.

The trucking protests on Parliament Hill and in other cities in the last couple of weeks focused attention on the Canadian trucking industry. The minister mentioned at the time that there are a number of studies under way.

Can the minister advise us whether anything has been done to alleviate the concerns of the owner-operators of these trucks?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I would like to thank the hon. member for his question and reassure him that in fact I have met with many people, including representatives of the largest transportation unions, the Canadian Trucking Association, the National Coalition of Owner-Operators Association.

I want to emphasize to the hon. member that the unions have been full participants in the task force process; indeed, they originally proposed setting up the task force in June 1990.

I also want to assure the hon. member that I will be attending the task force meetings tomorrow and Thursday in Toronto along with the Minister of State for Transport. I look forward to seeing the work of the last eight months come to fruition. I anticipate a very busy and fruitful meeting.

* * *

IMMIGRATION

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Prime Minister. For two days in a row members on this side of the House have asked ministers opposite why the government has not been actively engaged in trying to find a missing top secret memo. For two days ministers have demonstrated, in our view, a a real active lack of interest in finding that memo. Incredibly the Solicitor General today said he has not instructed the RCMP to look for it because he has not been asked.

I want to ask the Prime Minister, who described a missing budget document as a criminal act and described those who had it as criminals in advance of any court case, whether he will now instruct the Solicitor General to have the RCMP go into External Affairs to see if they can find this missing memo, or if they cannot find it, find out what happened to it? Will the Prime Minister do that, given his interest in finding missing top secret government documents?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I said in this House yesterday that should it be necessary to call in the RCMP, this government would do so. We do not yet believe it is necessary. We are looking for the document. I have said that several times. I am continuing to look for it.

There is nothing I can add to that. I think if the hon. member has some patience, he will be satisfied.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my supplementary is for the Prime Minister. The minister's answer gives rise to my request that the Prime Minister deal with this matter. It is clear that after three months of so-called looking for a document, the minister continues to say there is no urgency. There is an urgency, and it is necessary now for an outside agency, for the RCMP, to find this document.

Will the Prime Minister of Canada please instruct his Solicitor General to send in the RCMP to find out what happened to this critical missing memo? The government appears not to want to find it. Is it not important to find the truth? Find the memo.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the point is that shouting at the House is not going to change the course of events. It also is silly to say that we have been looking for this document for three months. We began to produce the documents, as we said we would, when it was revealed that this person was in the country without ministers having concurred.

We have done our best to be forthcoming. The information is there. The opposition has not found a smoking gun and there is not one to find. It is over and they know it.

* * *

THE CONSTITUTION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the minister responsible for constitutional renewal. In his many discussions across the country with provincial premiers and others concerning the Constitution and rights, has he discussed the question of property rights. Would he, in that discussion, talk about property rights and the right for people to own property and not have it taken away from them without due process and compensation, in much the same fashion as set out in the Bill of Rights produced before this House by the Right Hon. John Diefenbaker?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, the question of property rights is of very real interest—I guess not to Mr. Tobin, but it is to other members of the House of Commons—to Canadians across the country and has been discussed in various rounds of constitutional discussion. The question was whether it had come up yet in my consultations with provincial governments. It has not. But there will undoubtedly be a range of opportunities over the next several months for that and other constitutional issues to be considered, including by this House.

* * *

FORESTRY

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Minister of Forestry. Yesterday in the House the Minister for International Trade said that the government has failed to reach a consensus with the provinces on the softwood lumber tariff memorandum of understanding before making a presentation to the Americans tomorrow to get Canada out of this rotten deal.

What specific steps is the minister and the government taking to see that all provinces are united to ensure that we can tell Carla Hills tomorrow that we want to scrap the MOU?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, there have been ongoing discussions with the provinces.

• (1500)

A position has been put together that will formulate the approach which will be used in our discussions with the United States. The Minister for International Trade is in charge of the situation. There have been meetings today with the minister from British Columbia who is in the gallery, and things are well in hand.

* * *

GOODS AND SERVICES TAX

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

Many people in my riding of Haldimand—Norfolk and throughout rural Canada are being charged GST every time they turn on their tap. While city dwellers can fill up a swimming pool without paying a cent on GST, rural residents who are not hooked up to the municipal water system have to pay GST on water used for drinking, cooking and washing.

When will the minister put an end to this unfair discrimination against rural Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member is referring to farmers, if they do pay a GST they can claim it back as an input tax credit.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of His Excellency Adrien Sibomana, Prime Minister and Minister of Planning of the Republic of Burundi.

Some hon. members: Hear, hear.

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of the honourable Claude Richmond, Minister of Forests of the Province of British Columbia.

Some hon. members: Hear, hear.

* * *

POINT OF ORDER

STATEMENTS BY MEMBERS

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I do not want to take too long in the House. I want to find out a few little guidelines. I understand fairly well how the system works.

In terms of the recognition of guests in the Speaker's gallery, with the greatest respect, I think that might come between statements and Question Period, not to interfere with the flow.

You can take that under advisement, Mr. Speaker, as I hope you will take something else under advisement. That has to do with the guidelines on statements made by members which is open to all members. I understand some of the rules. I know you do not use a list because a list would be an insult to the independence of the Chair. Mr. Speaker, I know you just would not follow that.

Having sat here all Monday and all Tuesday, having done my parliamentary aerobics as I fully expected to do, and not being very upset that a lot of good government members have made a few statements, some of which were somewhat provocative and/or a little political, I do take umbrage, having been here and rising at the gong at 2 p.m. until 2.15 p.m., with seven government members being recognized yesterday, fine, and today eight government members being recognized, five of whom were recognized yesterday.

I really do think, as you sit in the chair of the equal among equals, that you look equally at all sides of the House and recognize members who are doing their parliamentary aerobics so that we can present statements, certainly not even to suggest that a list is giving you any direction but to suggest that your own independence is going to be the guide.

Mr. Speaker: I am certainly paying attention to what the hon. member suggests. I hope we will be able to satisfy him and other members.

* * *

PRIVILEGE

STATEMENTS OF GOVERNMENT HOUSE LEADER

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise pursuant to the notice of a question of privilege I sent you earlier this day.

I wish to refer to the statements of the government House leader as reported in the media which I submit were intended to interfere with and impede the business of one of the standing committees of the House.

Such interference with the business of the House, which includes of course the business of committees that as you know and all hon. members know are after all creations of the House, constitutes in my view a contempt of this House.

Mr. Speaker: Before the hon. member proceeds further—if it is appropriate, and it may well be, I shall certainly hear him—I listened very carefully during Question Period and I am quite sure the hon. member for Cape Breton—East Richmond did as well. I am wondering whether the response given by the government House leader to a question on this point would make any difference to the hon. member's intervention. I bring that to the attention of the hon. member.

Mr. Dingwall: Thank you, Mr. Speaker. As I was indicating to the Chair and to all hon. members present I refer to Erskine May, the 21st edition, page 115, which reads:

> —any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his

> duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

That is on page 115 of Erskine May, the 21st edition.

It should be noted that on several occasions ministers of the Crown gave clear undertakings to the House. In fact the hon. minister opposite, the Minister of State and Leader of the Government in the House of Commons, stated on page 254 of *Hansard*, dated May 17, 1991:

> —we are very anxious to get this matter before the committee as soon as possible. Then all relevant officials can be called before the committee because we are absolutely convinced that the facts we have elucidated will become obvious to those who keep an open mind.

That was on May 17. On May 23, 1991, at page 477 of *Hansard* the Minister of Employment and Immigration stated the following:

> Mr. Speaker, the hon. member and all other members of this House will have a chance in the standing committee to respond to all the issues that were raised. We have already said that we prepared a report, and that report has been released.
>
> If there are additional matters on which further details are requested, it will be the committee's job to take care of that and I trust it will.

On May 28, 1991, on page 680 of *Hansard*, the present Secretary of State for External Affairs said:

> Let me say as well that we have agreed there will be an open and honest inquiry—.We have said from the beginning that we would produce all of the people and all of the relevant materials to the extent that is possible.
>
> I have given this House my commitment on that from the very beginning, and the hon. member knows it.

On May 30, 1991, at page 822 of *Hansard*, the Deputy Prime Minister and the Minister of Finance said:

> I have no objection to that but surely it is a matter that should be properly questioned at the committee where all the witnesses they require and/or demand will be available to respond.

Mr. Speaker, in today's *Ottawa Sun* there is a headline, "Tories to end Probe. House leader wants Mashat inquiry dropped". In fact the minister is quoted as saying: "—the committee has already established how Iraq's former ambassador to Washington got fast-tracked into Canada".

He is further quoted as saying: "I don't know what further facts could be adduced".

Mr. Speaker, in other words the government House leader is interfering in the committee's conduct of what was supposed to be an open and honest inquiry. He is saying to the committee that it is getting too close to the facts and that it better stop before it really uncovers the truth.

Mr. Speaker, members—

Mr. Speaker: Just a moment. I have already indicated that the hon. member for Cape Breton—East Richmond might consider carefully what the hon. government House leader did say in Question Period, but certainly that last remark is getting to be an allegation that carries with it a lot of difficulty.

I am giving the hon. member for Cape Breton—East Richmond every opportunity, I think, to make the point, but I do not think that the point is that the statements which are reported in the House amount to interference with the committee.

The hon. minister has already, at least to some degree, responded to that. Certainly I think that the interpretation put by the hon. member for Cape Breton—East Richmond goes farther than the argument needs.

Mr. Dingwall: Mr. Speaker, of course the hon. member opposite will have an opportunity to respond to the concerns that I have laid before Mr. Speaker and will respond in kind. I have heard, as other members have heard, some of the remarks made by the hon. member opposite. He will have an opportunity to explain in full in a moment or two, provided the Chair will give me an opportunity to conclude my remarks.

• (1510)

Members of my party and of that committee have made it clear that a number of further sittings and witnesses are required. They have suggested that the former cabinet secretary, Gordon Robertson, an acknowledged, non-partisan expert on ministerial responsibility, appear as a witness. They have also requested that the Secretary of State for External Affairs and the Minister of Employment and Immigration reappear in order to clarify their roles in light of information gathered since they last appeared. For the same reasons, they wish to recall Mr. David Daubney. They would also

like to hear evidence from a former legislative assistant to the Secretary of State for External Affairs.

In conclusion, the government House leader has announced that he is, in essence, ordering the committee to shut down. His statements can only be interpreted as orders to the government majority on the committee to do what he says or else. In my view, he is intimidating the committee and, therefore, impeding it in its pursuit of its work. This represents not only a reversal of government policy toward the work of the committee, but is also a direct and, I believe, unacceptable interference in the work of the committee and therefore of the House.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, what we have just had is an abuse of this House by debating an issue that has no right on this floor. There was no point of privilege. You will notice he did not put a motion, which is required when he raises a point of privilege. He did not demonstrate, in any way, shape or form, how he is impeded in performing his duties as a result of it. It was a bogus point of privilege and, frankly, I think it should come to an end if the hon. member is going to show the respect for this institution he frequently talks about.

Let me deal with the allegations. He suggested that I have ordered the committee to finish. To begin with, he knows that the House leader, because of parliamentary reform and the changes in the rules which this government brought in, cannot order a committee to sit or not to sit. I cannot do that.

He then quoted, a number of times, statements made in the House, where I and others have said we would welcome a committee sitting. That was not considered interference in a parliamentary committee. He also says that because outside the House I am quoted as saying I would welcome the committee terminating its sittings, that is interference. How can it be both? How can it, on the one hand, by suggesting a committee sit be perfectly appropriate, but by suggesting a committee not sit is somehow an intolerable abuse of that member's privileges? What an absurdity and what a waste of the House's time.

Again, he is abusing the House by distorting and warping what in fact was in the paper. If anybody has a privilege it is me for the deliberate distorting of what is in the paper. What is in the paper under quotations is: "I don't know what further facts could be adduced," Andre told reporters. That is what I said. It is a breach of the privileges of this House, Mr. Speaker, for the House leader to say such an outrageous thing. My gosh, what is this place coming to that I should be so outrageous as to make this kind of suggestion?

Mr. Speaker, if you think that is a breach of the privileges of the House, I would welcome a motion and will defend myself for having so abused the hon. member's sensitivities by suggesting I do not know what further facts could be adduced. My God, I did not realize I said something so outrageous.

Come on. This is a waste of time. I suggest we get on to other business and the hon. member stop wasting time in this manner.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I really do feel I have to provide a few observations, particularly based on the rather hysterical outburst by the government House leader.

I join with my friend, the opposition House leader, who was astonished, as most sensitive Canadians were this morning, to read the headlines in *The Ottawa Sun* that the House leader wants the Al-Mashat inquiry dropped. We all remember time and time again when the government House leader has indicated clearly, as other senior ministers have, in an effort to divert if you like, a discussion on the floor of the House of Commons that the committee would be the appropriate place to obtain the evidence.

I do not remember the exact quote, but I remember the statement being made that all witnesses necessary would be welcome at the committee. That suggests that if committee members had people that they believed were appropriate in order to get to the bottom of this that they ought to be heard.

Therefore, when the government House leader says that he does not know whether further facts would be adduced, that is sending a very clear signal to his colleagues on that committee that enough is enough, and the Tories plan to end the probe.

Perhaps the truth of all of this will come out in the next few days in terms of whether or not all of the appropriate witnesses are still allowed to be called. At that point we may be back again.

I simply want to join with my colleague to say that it appears to me that the government House leader is prejudging the work being done by the committee. A certain element of interference is there in his comments. After all, we are told on a regular basis by the government House leader to get off the issue in the House of Commons because the committee is where this should be dealt with. Yet now he is saying that as far as he is concerned, enough of the facts have come out and the committee, presumably, should wrap up its proceedings.

I want to simply say that it is important that we get to the bottom of this. It is important that some minister eventually accept responsibility for this dastardly sequence and the way to do that is in a committee.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I think the government House leader protested a bit too much in his statements. I want to cite a couple more authorities for Your Honour to assist you in consideration of this case.

The hon. member for Cape Breton—East Richmond has already referred to the statements in the case. I have turned to Maingot's work on *Parliamentary Privilege in Canada* page 193, where the learned author writes, quoting one of your distinguished predecessors, Madam Speaker Sauvé. He states:

> As the Speaker has said recently, ". . .the dimension of contempt of Parliament is such that the House will not be constrained in finding a breach of privileges of members, or of the House. This is precisely the reason that, while our privileges are defined, contempt of the House has no limits. When new ways are found to interfere with our proceedings, so too will the House, in appropriate cases, be able to find that a contempt of the House has occurred."

I submit what has happened here is an attempt by the government House leader to muzzle this committee. That is a breach of members' freedom of speech. That is one of our fundamental privileges in this House.

The suggestion is that there has been an attempt to muzzle our freedom of speech. If that is so, I suggest that it constitutes a breach of the privileges of the House. If it fails on that score, it is certainly a contempt of the House because it is one of our fundamental privileges.

I refer also to *Halsbury's Laws of England*, fourth edition, page 608, where there is a distinction drawn between the offences of contempt and breach of privilege, citation 1500 in that work. I quote again:

> The power of both Houses of Parliament to punish for contempt is a general power similar to that possessed by the superior courts of law and is not restricted to the punishment of breaches of their acknowledged privileges. Any act or commission which obstructs or impedes either House in the performance of its functions, or which obstructs or impedes any member or officer of the House in the discharge of his duty, or which has a tendency to produce such a result, may be treated as a contempt even if there is no precedent for the offence.

I do not need to read further, but I submit that in this case there is clearly authority. If Your Honour finds that there is a *prima facie* breach of privilege in this case, either myself or the hon. member for Cape Breton—East Richmond will be pleased to move the appropriate motion to have the matter referred to the House management committee where it could be investigated fully.

• (1520)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I feel like my privileges have been abused for about 15 minutes. I tend to be busy and there are meetings that need to take place and this discussion has gone on at some length.

If, Mr. Speaker, you were to find significant members of this Chamber speaking to the press about what committees should do to be indeed a contempt and a breach of privilege of this House, I suggest that most members on the other side of this House would be guilty. On more than one occasion, I have seen an enormous amount of publicity in the last two or three weeks from members on the other side, from the Official Opposition and the third party in this House, long, long dissertations on television, lots of quotes and newspaper articles in which people are telling the Al-Mashat committee or the external affairs committee exactly what it should do.

If that is a contempt of Parliament, it would be a sad, sad day for the notion of free speech. However, this filibuster on this issue is a denial of free speech and I think it should come to a conclusion right now.

Mr. Dingwall: Mr. Speaker, I listened very attentively to your suggestion that I reflect and weigh very heavily as to what the government House leader had said in Question Period. As a result of that, I made my summation and of course did not proceed with the normal motion, which the hon. House leader has referred to as

somehow being a major omission in terms of our parliamentary procedure on the floor of this House.

I was thinking that the hon. House leader would have taken advantage of the opportunity to explain and to apologize to the House and to committee members for his activities.

If that is not the case, I believe, based on my summation that I have made, and listening to other evidence that has been adduced, that this is a clear violation of the privileges of the House. If the Chair finds such a prima facie breach, the appropriate motion will be proposed.

Mr. Speaker: I am going to deal with the matter immediately.

The hon. member for Cape Breton—East Richmond brings to the House by way of a question of privilege what he alleges is a contempt of the House, as a consequence of what appear to be quotes from the hon. government House leader in a journal today.

The quotes concern the hon. House leader's views of certain proceedings in the committee and certainly indicate the government House leader's opinion.

The thrust of the hon. member for Cape Breton—East Richmond's argument is that this amounts to an improper interference in the affairs of the committee and, as a consequence, it is a contempt of the House.

I ask the hon. member for Cape Breton—East Richmond and the members of the House to keep in mind what the hon. government House leader said during Question Period. I think it is clear from the comment that he made in answer to a question put to him that it was his view, if I remember the words correctly, and it certainly was his declaration that the committee makes up its own mind about what it is to do.

The hon. the member for Calgary West has risen and has reminded hon. members that there has been a great deal of comment about this committee outside this place. There has been some comment about the committee inside this place, but for the most part, within the bounds that the Chair has had to set with respect to questions.

I listened carefully to the hon. member for Kamloops and also with care to the erudite comments adding to those given by the hon. member for Cape Breton—East Richmond and the hon. member for Kingston and the Islands.

I have to say that, on balance, having listened to both sides of this argument, I am not persuaded that there is a prima facie case of contempt. I thank hon. members for their restraint in the arguments that have been presented to the Chair.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Jim Fulton (Skeena): Mr. Speaker, my point of order arises from the response of the Minister of the Environment during Question Period to the question put regarding Alcan's Kemano II project.

I have provided the minister with the appropriate sections of the Federal Court ruling of May 14, 1991 by Mr. Justice Alison Walsh.

The minister suggested that perhaps only an initial environmental evaluation is what is suggested by the ruling, but I think the following two very short quotations will reveal to the minister and to the House that that is not what the court had to say and I quote from the bottom of page 36:

> I conclude that the Kemano II Completion Project requires an assessment by virtue of the environmental assessment review process and that the ministers involved, and specifically the Minister of the Environment, were under an obligation to arrange for it and not frustrate this by the settlement agreement signed in 1987 finally by the order of the minister, confirmed by Order in Council that no such assessment is necessary.

A few sentences down it goes on and it says:

> —deciding against an EARP assessment in connection with the present project, however, where on the facts it is evident that one is required, goes far beyond the exercise of discretion in a fair manner with which the court cannot interfere and becomes a failure to undertake a legal obligation required by law. The same is true, although perhaps to a lesser extent, with respect to the other ministers named as respondents. It is not sufficient to be satisfied with—

Mr. Benno Friesen (Surrey—White Rock—South Langley): Mr. Speaker, it sounds to me like this is a carrying on of a debate arising out of Question Period rather than a point of order.

Mr. Fulton: Mr. Speaker, I am almost finished the one sentence that I was reading.

> The same is true, although perhaps to a lesser extent, with respect to the other ministers named as respondents. It is not sufficient to be satisfied with a review, however extensive, performed by the proponent of a proposal, even in co-operation with the ministers involved without a public assessment by an independent panel at which all interested parties may be heard.

Those are the quotations that I think are the most important and I am sure the minister is aware of the conclusions of the Federal Court in relation to the same judgment.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I want to thank the hon. member for Skeena for having sent over to me copies of the rulings that he has just quoted from. Although I do not have page 36, it is not material to the point I want to make.

First, let me reiterate that I stand by the answer I gave in Question Period. I think what the member from Skeena and I are talking about here is a question of interpretation rather than a disagreement on what the ruling is about. Let me be clear so that there will be as little confusion as possible on what this is about in the environmental assessment process.

As far as I can tell from the pages I have in front of me, I think that when the judge refers to a process, the judge refers to this process in a generic sense of the term more than the specific sense.

The process itself is made up of two parts as they now stand under the guidelines. The first part requires that a federal government department makes what we call an initial assessment. Once the department has made that assessment, it determines whether there are or are not mitigable measures that can be taken in the case of any specific project and it can then be satisfied that those mitigable measures are taken and not ask for a public panel. There is also a public panel that can be asked for if there is what we call sufficient public interest.

In the case before us, my understanding of the ruling is that the court says that the ministers involved should do that environmental assessment process in the generic sense and that that would require the initial assessment to happen. Let me refer to page 38 of the same court ruling under the title *Specific Conclusions*. The last five lines of that page 38 where the justice says "with respect to paragraph 4 an order of mandamus will be issued requiring the various ministers named to comply with the requirements of the EARP guidelines order and submit the proposal to an environmental screening and assessment pursuant to section 10 thereof".

• (1530)

That, as far as I am concerned with the information I have, is an order by mandamus to the ministers concerned, not the Minister of the Environment, but the ministers concerned, to undertake what I referred to in that initial process.

In closing my remarks, let me point out to you that as the guidelines now stand, the Minister of the Environment does not have the power to act alone in constituting a panel. To do that requires that an initiating department ask the Minister of the Environment to do that. Once that request is made to the Minister of the Environment, he or she has no choice but to order the panel. But that, mechanically, must be done first and that is why I answered the way I did during Question Period.

ORAL QUESTION PERIOD

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I rise on a point of order reluctantly and with appreciation for the difficult job of the Chair.

I would like to point out that I was questioner number four on the government side and I do note that the government side obtained about five questions yesterday and I was somewhat inspired by the privilege that we had to ask some questions. As a result of that, I prepared a question today on a subject that was not addressed by anybody in the House of Commons, and I was not able to ask that question.

Mr. Nelson A. Riis (Kamloops): On the same point of order, Mr. Speaker, I appreciate the frustration and I share it with my hon. friend and many others, I might say, who would like to ask important questions.

That is why I would like to suggest right now, in an effort to facilitate my hon. friend and many others, that we extend Question Period for 30 minutes every day, between now and June 21, so that these important questions have an opportunity to be put.

Mr. Bill Casey (Cumberland—Colchester): On the same point of order, Mr. Speaker.

We do not have to change the rules as proposed a minute ago. I refer to Beauchesne's sixth edition, citations 409 and 410 which say "in Question Period a preamble need not exceed one carefully drawn sen-

tence" or "supplementary questions require no preambles whatsoever".

As far as I can tell from my record today, we had 32 questions in Question Period and not one of them qualified under Beauchesne's citation 409 or 410. Those are also listed in the annotated Standing Orders in section 37(1) that even go back to the original Beauchesne's of 1922 and they are referred to all the way back to the English *Debates* in July 18, 1862, 129 years ago.

All we have to do, all of us in the House is co-operate and follow the rules. We do not have to change the rules, just follow the rules that are very clear and simple and anybody here can understand them. They are not complicated, they are simple, and if we all follow the rules we will all have the opportunities to ask the questions that we need, and we do need the opportunities to ask the questions.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am surprised to hear the hon. member who is persisting in this, because of course he is very selective in his readings from Beauchesne's. He is ignoring another fundamental rule in Beauchesne's which I draw to the attention of Your Honour, and that is citation 417 in Beauchesne's sixth edition which says: "Answers to questions should be as brief as possible, deal with the matter raised and should not provoke debate."

Today we had answers to questions that were evasive, that were an abuse of this House because they did not answer the question that was asked. Ministers stood here in the House and had the unmitigated gall to suggest that a search was under way for documents, without calling in the police, because the documents were missing for three months. We had ministers say that everything was fine when it patently was not. We have had a constant abuse by ministers of the rules of this House by giving long windy answers that drift all over the place.

For the hon. member to suggest, as two of them have, that they were deprived of a right to ask questions because of questions on this side of the House is completely wrong. Question Period is for the opposition, and those members should learn that fact.

It is not an opportunity for the government backbenchers to throw softballs at their ministers so they can answer it any way they want.

Some hon. members: Hear, hear.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please! The Chair has heard from the three major parties represented in this Chamber. I would reiterate the suggestion I made last week to the effect that the House Management Committee may be the most appropriate forum to pursue the discussion hon. members want to have on this issue.

I will therefore seek the co-operation of the House and humbly suggest that hon. members bring this matter before the House Management Committee if they want to go in greater detail into the matters raised during question period.

[*English*]

FINANCIAL TIMES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this is on a different point of order. It relates specifically to an intervention of my own yesterday during the discussion of the opposition motion on youth unemployment.

I quoted from an article in *The Financial Times* in which an unnamed reporter in *The Financial Times* claimed that Hilton Works in my riding, which employs 7,000 people, was about to announce a permanent closure in August of this year. The unnamed reporter further went on to state that the police in the city of Hamilton had been called specifically with the intention of involving more officers in August, lest there be violence at the announcement of a permanent closing of a facility which has been in operation for more than 100 years.

You can understand the concern that this particular article raised among the people of Hamilton. My phones were ringing off the wall. I have had conversations both with the police department and with the senior management of Stelco They have advised me that in fact that particular article is patently false. There are no intentions of closing the Hilton Works operation, which employs more than 7,000 people, and in fact over the last year there has been more than $100 million of fresh investment to upgrade that particular facility.

I thought it was important to put that information on the record because clearly, in the battered economy that we have had in Hamilton, it does a disservice to our community when unnamed sources promote rumours that become the substance of newspaper articles—

An hon. member: Oh, oh.

Ms. Copps: The member is giggling, saying I raised it. Yes, I did raise it in the House because when *The Financial Times* published a report claiming that 7,000 of my constituents were going to be laid off, I naturally wanted to raise it in the House.

When the information came to my attention that it is false, I wanted to make sure, on behalf of all of my constituents, that this information was on the record. All Canadians should know that Hilton Works is not closing down and that people who put out this kind of rumour should not be allowed to parade it as news because it is not.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)) moved that a Ways and Means motion relating to a taxation measure respecting the operation of a wage claims payment program and to amend the Income Tax Act thereof, laid upon the table on Monday, June 10, 1991, be concurred in.

Motion agreed to.

* * *

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed from Thursday, June 6, consideration of motion of Mr. Corbeil that Bill C-11, an act to amend the Railway Act (grain and flour subsidies), be read a third time and passed.

The Acting Speaker (Mr. DeBlois): When Bill C-11 was last before the House there were 10 minutes remaining in the question and comments period following the speech of the hon. member for Gander—Grand Falls.

• (1540)

I will now recognize hon. members who wish to continue the question and comment period.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, when my colleague from Gander—Grand Falls was speaking previously on this debate I was particularly struck with his knowledge of the whole sector in Atlantic Canada.

I want to refer here to the actual purpose of that particular bill introduced in 1966. The two main purposes were to ensure that eastern Canadian ports could compete with the United States ports and to enable the ports of Halifax and Saint John to compete with Montreal and other St. Lawrence River ports.

As the Atlantic Provinces Transportation Committee contends, the budget papers that contain this measure failed to identify the full purpose and objective of the program and rationalize this decision to terminate it solely on the basis of the absence of competition between the United States and Canadian ports.

Having said that, I want to ask the member: If I were to place a phone call asking where I can get information on this or where I can get freight service—I suppose it would have to be a 1-800 number—where would I have to place that call? Who would answer?

Mr. Baker: Mr. Speaker, at this time of the year, a lot of people are planning their vacations, especially their vacations to motor to Newfoundland, Prince Edward Island or some other place.

There was a 1-800 number under that subsidiary of CN, Marine Atlantic. There was a 1-800 number until about a month ago. The 1-800 number was 1-800-565-7421. There were very catchy tunes on television and on radio advertising the 1-800 number.

The 1-800 number has now been discontinued, but if you are in the United States or in Texas, there is a 1-800 number that you can use. If you are in Alabama or any state in the United States, there is a 1-800 number: 1-800-347-19981 if you want to write it down and you are in the United States.

If you are in Canada, you cannot call a 1-800 number. You cannot call toll-free. If you want to take any of the ferry systems or any of the boats in eastern Canada that go to these islands, you just cannot call toll-free. If you

live in the United States, you can, and that is not the end of the story.

When you compare the rates, it is amazing. In terms of the union with Canada—I can remember when the debate was on about whether or not we were going to join Canada—there was quite a campaign on, that we should join Canada because there were advantages to it. One of the big things in the Railway Act, the act we are talking about today, was that the rates to be charged for passengers and freight moving to Newfoundland would be comparable to the rate charged if you went an equal distance on land. That is in the terms of union.

Now looking at the new rates, it is $99 for your car if you go from North Sydney to Argentia. Your cabin costs $96.25 with the GST added and no window. If you want a window, you have to pay $99.77 for your cabin. A reclining chair is $12.04 with the GST included, an adult pays $41. That is on the Argentia run. That is pretty expensive. When you add all that up, it is close to $700.

On the Port aux Basques run,—I am talking about return now with four adults in a car— it costs practically $400. You could go to Prince Edward Island 20 times on that kind of rate, down to Argentia. But in answering your question relating to competition with the United States, not only do they have a 1-800 number in the United States of America for our services to our islands in Canada, but they do not pay GST say if you phoned Bar Harbour, Maine. If you called Bar Harbor, Maine about Marine Atlantics, CN's subsidiary which operates between Bar Harbor, Maine and Yarmouth, you will notice that there is no GST on the cabins there. Also, you can get a return fare. Now you know what that means. It means you get a reduced rate if you buy a return ticket. So there you go. The 1-800 number is gone in Canada but is still in the United States. If you are in Texas or Dallas you can call free, but if you are in Canada you cannot. GST is not charged for the ferry that matches up with the state of Maine from Canada and you get special return rates which are lower than if you paid individually one rate to the other.

I believe that these rates by CN and its subsidiaries are a violation of the terms of union between Newfoundland and Canada. They have not only taken away those subsidies, they have even taken away our railway tracks in Newfoundland. Not only are the railway tracks gone, but even the ties under the railway tracks are gone. It is pretty difficult walking down those railway lines with not even a track there or a tie. Every three or four feet you drop down into a hole. That is what is left. Not only did they take up the railway tracks and the ties, they did away with the railway and took away the subsidies that we are talking about. They also sold, as I mentioned before, the telephone company that they own. They sold that last year.

We have really been sold out by the Tory government.

Mr. Ferguson: Mr. Speaker, I can only take it from the comments of the previous speaker that the decision to terminate this program in the budget papers, based on the absence of competition between the United States and Canadian ports, was a false assumption as were so many other items in that particular budget.

Could the member give me a comment on that, please?

Mr. Baker: Mr. Speaker, I think the entire bill that is before the House is a good indication of what the Government of Canada is doing. What the Government of Canada is doing is setting adrift the entire intent of equality in this nation, in transportation and in everything else. It is setting us adrift and it is making the decisions by cabinet. They are not even waiting for us, as parliamentarians, to pass the bill.

Why if you even look at this bill you will discover that the bill really applies, I believe, to flour and grain that was put on a railway car back in 1978 I believe. So, in other words, it would not apply unless the flour and grain has not yet arrived at its destination. The subsidy was done away with in 1988 or 1989 and the Government of Canada did not even wait to pass the bill before this Chamber. They are now bringing in that particular piece of legislation, but I would not like to use any flour that has been on a train for the last three years covered by this particular piece of legislation.

Maybe that is what is wrong every time I bake some bread and it does not work out. Maybe it is the flour that we are all using.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I have a few words to say on Bill C-11, but maybe you will allow me, just in passing, to make a comment which I am sure you will find relevant to the debate, at least to one of the debaters in the debate. I listened again with great interest to my friend from Gander—Grand Falls as he talked in the last few moments, answering questions from my friend from Lambton—Middlesex. I could not help but have a couple of thoughts when he mentioned that he remembered the events of the Confederation battle between the pro-confederates and the anti-confederates in Newfoundland in the pre-1949 period. Surely he does not remember it too well because he is much too young to remember a lot of it; and what a fount of wisdom this man is.

• (1550)

Very few people know his direct connection to the Confederation period or, after the fact, I tell my friend from Calgary Southeast, among his other many achievements he is also the publisher, the producer, of a best-selling, long-playing record called, "Oh, What a Battle It Was". This record makes available on tape to historical buffs and others some of the actual speeches of Mr. Smallwood and his protagonist during the great convention that preceded the coming together of the Dominion of Newfoundland and the Dominion of Canada in 1949.

I am not paid to do this but I believe there are still a few records somewhere available out there in somebody's cellar. If not, I have one that I would be glad to play for the member for Calgary Southeast. He would hear some great speeches by Mr. Peter Cashin, the uncle of Dr. Richard Cashin, and by Joey Smallwood and others of that particular period.

Apart from—

Mr. Sobeski: What's the relevance?

Mr. Simmons: Ah-h, now the member for Cambridge wonders about the relevance. Apart from always wanting to throw a bouquet in the direction of my friend from Gander—Grand Falls, it is supremely relevant to revisit those debates on that particular record which my friend has seen fit to have preserved. He went to the CBC archives back in those days when he was not busy being the editor of *Hansard* in the Newfoundland House of Assembly, being the clerk of the Newfoundland assembly, or the Editor of Debates. He has been a fairly busy fellow in his day but he found time to go to the CBC archives and have the speeches put on a record to be available to the public. Many thousands of Newfoundlanders have those records and I am sure as a result of this promotion today the requests will come flooding in again. I want him to know that my share goes to charity.

There is a relevance, I say to my friend from Cambridge. The relevance is that when those great debates were going on, apart from the rhetoric—of which we get a little bit in this House—of those days, Major Peter Cashin led the anti-confederate forces, the Newfoundland independence forces if you like, the Responsible Government League it was called, and Joey Smallwood led the other forces—by the way I was just talking on the phone to a friend of mine today who visited Joey this afternoon; he is hale and hearty, still walks around his garden three or four times a day and is in very good shape. He will be 91 this Christmas Eve, but he is in very good shape, the only living Father of Confederation.

When Joey and Major Peter Cashin and their entourages got up at the national convention in St. John's to debate the future of Newfoundland, they marshalled the various arguments which will be found on that tape to which I made reference in relation to the member for Gander—Grand Falls. Those arguments were either for confederation or against confederation. My friend from Gander—Grand Falls in his last answer made reference to one of those arguments. Joey Smallwood and others successfully sold the benefits of the two dominions, the Dominion of Newfoundland and the Dominion of Canada, coming together. Those who are about to remake the country keep in mind what Newfoundlanders did in 1949. They passed up nationhood, albeit they were only a half million souls or even fewer at that time. They deliberately, consciously in a vote—it took two votes to do it, mind you—said: "We will forfeit dominion status and nationhood, as a small country, a full-fledged member of the British Commonwealth." Do not forget that it was one of the four dominions in the Statute of Westminster back in 1931; New Zealand, Australia, Canada and Newfoundland. It was one of the original four dominions. That dominion elected by popular ballot in the period leading up to 1949 to forfeit its dominion status, to forfeit its national status, to become a province of Canada.

As an aside, but I believe an important aside from where I stand, I say to those who are now redrawing the map of Canada and reconfiguring what kind of Canada we are going to have, one of the many factors they have to keep in mind is that unlike every other province of this country—well, I suppose the exceptions are the original four, New Brunswick, Nova Scotia, Quebec and Ontario, who came in as provinces—but the only other of the ten provinces that came in as a separate entity and was not carved out of existing territory already part of the Dominion of Canada was Newfoundland and Labrador. It came in as a province, not part of a region, not a quarter of a province, to be a province. That was the trade-off.

I give notice now that when the time comes when we as Newfoundlanders have to choose between fighting for that principle and opting for some hodge-podge of regions in this country that subvert the dreams and aspirations those people had in 1949, my father and mother and the parents of my friend from Gander—Grand Falls and others, we have no doubt where we will stand in that particular debate. That is another debate for another time.

I will talk about the retroactivity of this bill in a few moments. The bill itself is an affront. It is an affront that can be traced in terms of impact right back to that great Confederation battle involving Newfoundland's decision to join Canada. Part of the package, if you like, that was put before the voters at that time when they were asked to choose between continuing dominion status or being a province of Canada, a marriage with Canada, related to matters of transportation, availability of foodstuffs at reasonable prices.

Now, 42 years later, we in Newfoundland, as in so many other provinces, but for us it is more poignant, for us it is more pointed, for us it is more focused, because we made overt decisions based on the inventory of this country as it was then, based on the advantages, based on the substantive benefits of being part of this country. I could run through them if we had the time, but just in a quick illusion, not only to do with transportation, but to do with that social safety net, the family allowance, the pensions and so on, which are now being dismantled, left, right and centre by the representatives of the confederacy to the south over there. They are just dismantling it every chance they get.

The continuance of the railway was a part of that package and that has since gone the way of the dodo bird.

Mr. Mills: It is a retreat of national government.

Mr. Simmons: As my friend from Broadview—Greenwood says so well, what we are seeing is the retreat, the abdication of the national government, the shredding of the mandate of a national government. What purpose is there in having a national government if it has no *raison d'être*, no reason for existing, if it works itself out of business.

• (1600)

Bill C-11, which in the last House was Bill C-26, died an honourable death at third reading stage. Then the government, by the back door, got it back in here again over the opposition of we who felt it should not be here.

Mr. Speaker, if you go back to the 1200s, to 1215 I suppose, the Magna Carta, and follow through from there, the whole principle—even 1066 my friend from Regina—Lumsden says—the very beginnings, the very elemental, primitive, beginnings of parliamentary democracy and follow it through to the present day, you will find that there was always some protection for the ordinary people. This is why we call this place the House of Commons. Here we represent the common, ordinary people of Canada. That is where the name "Commons" comes from.

But we in the opposition are less able to do it when we have a government that writes its own rules every day of the week. It is equivalent to having a losing baseball team. Lord knows they have become a bunch of losers over there. Then, because they cannot win with the rules as they are, they keep changing them. So they say well, you fellows will still have nine players, but we would like to have 13. We would like to have two people at bat at the same time; we want our people only to run one base instead of three; we want to shorten the distance between bases from 90 feet to 45 feet.

It would be easy to win a game if you were allowed to write your own rules all the time. Is anybody in this Chamber surprised that this bunch of losers over here, this crowd that cannot get the support of any more than 14 per cent of the people, can still ram legislation through here? How can they do it? They can do it because they doctor the rules of the game all the time, they keep changing the rules. That is the only reason this bill is here. This bill should not even be here because it died at third reading in the last House. If they wanted to bring it back they should have had the integrity to bring it

back in the normal way instead of ramming it through as part of a package of four.

Mr. Speaker, the bill itself would undo a long-standing set of subsidies that were put here by a former government—and I will tell you, it was not the Tory government either—because it saw a need to look after the ports of Saint John and Montreal and Halifax and the other ports down the St. Lawrence.

It was done at a time when it was trying to parallel a similar circumstance which had taken place in the United States in 1959. That is why we implemented this amendment to the Railway Act in the 1960s.

It is true that that subsidy we were trying to match no longer applies in the United States. But before we throw it out, we ought to go back to the people who brought in the bill in the first place. I am glad to say it was a man by the name of Jack Pickersgill, a man who was born in Manitoba. I have always said that you do not have any control over where you were born. Not that Manitoba is a bad place to be born, but having been born in Manitoba and having worked in various parts of Canada and the United States, he had the good sense to run for and win a seat in Parliament to represent the people of Newfoundland.

My great friend and a great parliamentarian, Jack Pickersgill, represented the old seat of Bonavista—Trinity—Conception. I think it was called something different in those days, Gander—Twillingate, I guess, for a number of years.

As Minister of Transport, he introduced this legislation that this government wants to cut the guts out of. He said at the time that one of the reasons was the one I mentioned before, that it was to match the advantage of subsidy that the American ports, the eastern seaboard ports had. To put Montreal and Saint John and Halifax and those ports in a similar circumstance, he brought in the legislation. But he brought it in for another reason. It is worth reading the actual quote from that particular time.

Mr. Speaker, he said at the time: "To ensure that we will have rights which will provide some inducement and incentive to shippers to use the facilities of the Atlantic ports." To provide some incentive, some inducement.

I want to ask members on that side of the House who are representing those Atlantic ports, where are they now? Where are they now, that their jobs are going down the drain in Halifax and Saint John. This is not fear mongering. This has happened in the past few weeks. The elevators are closing. People are losing their jobs down there in Halifax. We have heard the stories. We have seen them in the press. Where are the people they sent here to speak up for them? Where are the members who now should be doing what Jack Pickersgill said 30 years ago needs to be done. Are those Tory members telling us and telling their constituents that there is no need now for some incentives to shippers to use those facilities?

They ought to take a look. When they go back to their ridings, if they get the nerve to go back to their ridings, they really should take a walk down around the port in Halifax or Saint John or Montreal and some of those other places and see what is happening there, see the devastation there, see the pain that this legislation is inflicting even before it has been implemented. Why can this legislation inflict pain before its time? Because this government not only has brought this bill in through the back door, it has gone and wiped out the subsidies anyway as of July 1989.

This government is now trying to get the legislative authority to do what it did two years ago. Twenty-three months ago the government wiped out this particular subsidy without any legislative debates. It is a complete shame. It is a tragedy to sit here and watch basic protections, that the people in any democracy have a right to, being eroded by a government that changes the rules of Parliament to suit its own whim. It uses its own muscle to change subsidies and laws without even the benefit of a rubber stamp in Parliament. The government has the majority to do this and if it had some good planning, maybe if it felt it important to do away with these subsidies, it would get the sequence right. This government would get the law changed first.

That is not too much for those producers to ask who are left out there twisting in the wind, nor for those farmers to ask whose prices are already, I am told, depressed as a result of this particular initiative.

Mr. Speaker, do you realize that export grain shipments in the ports of Halifax and Saint John have stopped? Saint John grain elevator is closed. Fifty-five people in Saint John, New Brunswick, have lost their jobs, in Halifax another 27 people. These are actual statistics which put a face, a human face, on the madness that the government is up to with this particular Bill C-11.

There are so many more things I could say, but I see by your signal that my time is just about up.

Let's see what the present Minister of Finance had to say, the Deputy Prime Minister, a man who has a reputation for telling it like it is, about an earlier effort to do away with this particular provision, this At and East subsidy. Here is what the gentlemen who represents a farm riding in Alberta had to say when he was in opposition. At that moment back there when it was talked about that they were going to wipe out the subsidy he said that the government must not cancel the At and East subsidy. Then he went on and said:

> The elimination of this subsidy could mean a loss to Canada of something in the order of $28 million worth of value added processing activity.

He was slightly wrong, only in the sense he was very low on the figure. It means a loss already of more millions than the $28 he mentioned at that particular time.

If there is one thing that disillusions the public, it is people who say one thing in opposition and other in government. I would have thought that the very man who would not do that is the gentlemen who is now the present Minister of Finance.

I see that you are getting ready to cut me off because my time is up. How time flies when you are having fun.

• (1610)

Mr. Benjamin: Mr. Speaker, I rise on a point of order.

There being only 10 members present I would like you to call a quorum.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I see there are fewer than 20 members present. Call in the members.

And the bells having rung:

The Acting Speaker (Mr. DeBlois): Since we now have a quorum, the debate shall resume.

[*English*]

Mr. Riis: Mr. Speaker, it would be a pleasure for me to participate in this debate, but I have the sinking feeling that I have already spoken at third reading, which would prohibit me from continuing. I wonder if I could see some clarification from the Chair.

The Acting Speaker (Mr. DeBlois): You are right.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, I want to inform my colleagues, especially on the other side, that I will do anything to get an audience. I hope you will stay to be reminded about some things for Atlantic Canada which you are participating in doing away with.

For nearly 100 years there has been a number of transportation assistance programs in place in Canada designed to keep east-west movement of goods and people going in commerce, and also designed to prevent the United States from moving in on us with their transportation systems.

Various governments at various times over the last 100 years have made wise moves, sometimes forced on them, sometimes because they did the right thing on their own. These transportation programs were designed to take into account our geography, our climate, where our people are located and how far we are from export positions.

The average grain haul in Canada is over 900 miles. In the United States it is some 700 miles. They have the advantage of a massive waterway system and much of their grain is grown closer to their seaports.

• (1620)

Australia and Argentina, two other main competitors are, on average, within 200 miles average of export position. It is similar in Europe. From Poland west there is not a grain haul more than 300 or 400 miles.

It means that Canada has to take extra measures to give us that so-called level playing field, although so far we have had level playing fields where the other guy has the ball on our ten yard line all the time. The reason for these programs was to give us an equal shot at the ports of Quebec, Saint John, Halifax. That was the reason for the Crowsnest Pass rates, the bridge rates and several other programs that have been done away with by the previous government and this one.

Our transportation systems are in bad, bad trouble. Our railroads, our airlines and our trucking industry, between so-called deregulation and the free trade deal have been put in an impossible position.

Somebody raised the trucking industry in the House today. The fast write-offs for the trucking industry in the United States also applies to railroads, so both the Canadian trucking industry and our railroads are at disadvantage. But we provide subsidized transportation costs for purposes I mentioned and also to equalize, to some extent, our opportunities in competition with U.S. transportation.

This measure, as others before, and I include the Crowsnest Pass freight rate, has done nothing but increase costs for grain producers. This one also affects Quebec, Ontario and the prairie provinces, particularly Manitoba and Saskatchewan.

I want to ask my hon. friends over there, where the heck are the Conservative members from the Atlantic, from Ontario, from Manitoba and Saskatchewan? We only have four left from Saskatchewan and it will not be long before there are none left. Where are they? This hurts the Canadian Wheat Board. It needs to do more effective export marketing of flour, milling wheat and feed grains. This hurts the Ontario Wheat Marketing Board.

The effect of this bill is not just a couple or 300 jobs in Atlantic Canada, in Nova Scotia and New Brunswick. The effect of this sort of a measure goes away beyond those borders. In fact, I submit, there has been no net cost of this program to the Government of Canada. The maximum it ever paid in the subsidy was $40 million, and it would fluctuate from $10 to $40 million each year. But when you consider the number of people it kept working, not only in the terminals and the flour mills in Saint John and Halifax, and consider the benefit it was to livestock producers in Nova Scotia and New Brunswick, who were making a buck, paying taxes, and consider the help it was to grain terminals and transporters on the Great Lakes and the upper St. Lawrence, the result was more income for the government in the form of taxes. This program did not cost the government a darned nickel.

Mr. Speaker, four grain elevators have shut down since the At and East has been cancelled: two in Midland, one in Port McNicoll and one in Prescott. The terminals in Midland and Port McNicoll are in the riding of the former Minister of Transport, not the present one, the second last one. We have been through so many I think they should put a revolving door on the Minister of Transport minister's office.

An hon. member: It shows their level of commitment.

Mr. Benjamin: This is the 14th or 15th one I have been through.

Ontario flour mills have lost export contracts since they quit paying the subsidy, and require lower wheat prices to compete with mills in Quebec or with the Americans or the European community. They lower the wheat prices, that bankrupts some more grain producers in Ontario as well as in Manitoba and Saskatchewan.

I want to say, as far as I am concerned, we have a first class Speaker of this Parliament, but like all the rest of us, he is not perfect. I think the Speaker should rule with a hard hand on any government legislation that is put in effect over a year before it is even passed by Parliament.

We took the federal government to court over another bill back in the 1970s. We took it to Federal Court and the Federal Court told the federal government to pay its bills. It had to keep on paying part of the storage costs of grain in Canada. I do not know why the Atlantic provinces' governments have allowed this one. They could have taken it to court because it has to be somebody who has a direct interest in the matter. I do not know where Dover Flour Mills is. Why are they not in on this? I do not know where the management and ownership of the terminals in Halifax and Saint John are. Saint John has been shut down for over a year now. We need those grain terminals.

Canada only consumes 20 per cent of our grain production; 80 per cent of it goes to export. The Americans consume 80 per cent of their grain production; 20 per cent of it goes to export, just the opposite of our situation. So we have to do all the things we can to give us a fair shake at these markets.

When we dealt with this bill the first time in the previous Parliament, we met with and talked to the people from Halifax and Saint John. We talked to the livestock producers in Nova Scotia. You know what lengths they were feeling they had to go to? They were looking at bringing corn in from the United States or feed grains from Europe, for God's sake, and out west

and in Ontario we are up to our backsides in feed grain. What the heck are we doing?

This is wrong-headed, it is stupid, it flies in the face of good economic transportation sense. I know there are Conservative members from Atlantic Canada very unhappy about this. Well, you can just say the word to your Whip that you are either not going to be here for the vote or you are going to vote against it and put your action where your mouth is. With something that is bad for the country as well as bad for your own area, surely you have to persuade the government not to proceed or you have to try to defeat it, no matter where you sit in the House.

Oh, for a minority Parliament. They would not have dared try it, they would not have dared.

• (1630)

The Halifax grain terminal is crucial to livestock producers because they bring in feed grain from Ontario and western Canada. They use that terminal for a surge capacity. They fill it up. They decide what space they need for the milling grains and the high-grade export grains, and they fill the rest of it up with feed grain. As and when farmers need feed grain, they truck it from that grain terminal in Halifax out to the feed lots on their farms and out to their processing plants. That is almost by the boards. The Halifax grain terminal is barely breaking even; its days are numbered.

To pursue my earlier complaint when I said I did not think the Chair was 100 per cent right on this issue of retroactive enforcement of legislation before Parliament has even dealt with it, both Houses, before it has received Royal Assent, how can you do that, Mr. Speaker? It passes all understanding as far as I am concerned.

I want to say that the subsidies paid under the Export Enhancement Program by the United States and the European Community subsidies are causing us enough trouble but we increase our troubles ourselves by doing away with this minimal program.

We should be exploring more flour and grain markets. We used to ship a lot of flour to Cuba. It was a three-way deal with the Soviet Union. It would sign a contract for two million, three million or four million tonnes of grain, specify a certain number of tonnes had to be milled into flour and the flour went to Cuba out of Halifax and Saint John.

The Cubans sent the Russians sugar, molasses and rum. That is how they paid for that flour. The Russians sent us cold cash. That arrangement was in place for about 12 or 14 years; it was a good deal. By the way, the Russians said that the Cubans make very good rum. They prefer vodka, but they will drink the stuff. It was a semi-barter deal.

Those Caribbean countries, including Cuba, badly need feed grains, and they badly need flour. What are we doing? We are shutting down the whole operation in Atlantic Canada. How dumb can the government get? Where are the Tory MPs from Atlantic Canada, from rural Ontario, from the Great Lakes ports or from the St. Lawrence ports? Where are the Tory MPs from Manitoba and Saskatchewan? We will not worry about the ones from Alberta; they have enough trouble anyway. Alberta's grain all goes pretty well to Vancouver.

Mr. Riis: Not this week, it doesn't.

Mr. Benjamin: Not this week, no.

Isn't it funny when there is a lockout. When there is a lockout, nobody says a word. When there is a strike: "Oh, legislate them back to work." There is a lockout. How come they do not legislate the grain companies back to work? I do not understand it.

However, nothing is moving west, so let's ship it east. The trouble is that we have lost the Crowsnest Pass rate and now we have lost the At and East rates. It makes no sense. It is of no significant use or benefit to the reduction of the deficit.

If you put that many people out of work, if you cut down on that much export out of those terminals and ports, you cut down on government revenues and you probably lose more money than what the subsidy costs.

It is not only no net cost. The livestock industry in the maritimes depends on grain. It is estimated that the abolishing of this puts the transportation costs for feed grain up by $10 a tonne. It is estimated that 5,000 jobs will be lost in the livestock industry, the feed mills, the meat packing plants and the dairies.

Surely that is not a risk worth taking over a piddling little subsidy like this.

As I said at the outset, this subsidy is what allows the Government of Canada to take into account our geography, our climate and where our people produce their goods and services. It gives us an even fight with our

competitors in the United States and the European community and these dummies want to cancel it.

I hope my hon. friend, who is a farmer in southern Saskatchewan, will get up and try to defend the abolition of these rates. I hope he will tell the feed grain producers and the producers of high grade milling wheat in his riding that they are going to lose some support and help on the export, that it is going to inhibit the ability of the Canadian Wheat Board to do even a better job even than it is doing now.

The figures I got show that closure of Dover Flour Mills will cost 45 to 60 jobs; the Halifax terminal lost 483 jobs at the port and 250 indirect jobs are going to be lost as well. Dover Flour Mills is the only flour mill left, I believe, east of Montreal. It is the only one left. I understand it is efficient, it works well and makes good flour. What would you want to shut it down for? Why would you cause the management and ownership of it to have to shut it down? How dumb can a government get?

The Ontario flour mills tell us they have lost export contracts and they want lower wheat prices. All they have done then is victimize our grain producers even more. You cannot blame them for trying.

The Halifax terminal plays a vital role in the livestock industry and the grain and flour transport industry in Atlantic Canada. It always has. Why cut it off? You have already cut off one terminal. It has stopped and has not been running since February, 1990.

I am hoping that in the last days of this session the government will decide that it does not need to do this now. A subsidy is not a net cost to the government. The number of jobs lost will cost more money than what the subsidies were. It will cost more in lost export contracts than what the subsidy costs. It has not been a net cost to the government and it never has been.

I hope the government will change its mind on this. I will applaud them for it if they do. It is totally unneeded and unnecessary and it makes no difference to the deficit. I hope they will decide to withdraw this bill.

Mr. Howard Crosby (Halifax West): Mr. Speaker, in the current spirit of civility and non-partisanship that hopefully will pervade Parliament, I hope I can appeal once again to the member for Regina—Lumsden to recognize the realities of this situation as they apply to the change in the At and East and the repeal of that form of subsidization.

I do not want to excite him further. I just want to review, very briefly, the history of the change that was made by the budget.

First of all, since July 1989 there have been no grain or grain products including flour moving under the At and East system. The port of Halifax and other east coast ports have not in fact been receiving any flour shipments through the At and East for exactly two years now. It is a *fait accompli* in terms of the realities of the situation.

• (1640)

We can and we have debated time and time again the question of whether the At and East subsidization process should have been removed. The member just pointed out that there may have been no net saving to the government in one sense, and that has been a matter of debate. I do not see any further need to advance the arguments pro or con on that point. Because of this, and I am repeating myself, the grain and flour are not moving through the port of Halifax under At and East. What jobs have been lost, what harm that may have impacted on the port of Halifax has been carried out. It is history.

What we in the port of Halifax would like to do, and I think other Atlantic members agree with me, is pursue offsets to the cancellation of the At and East.

The member for Regina—Lumsden knows that the Atlantic Provinces Transportation Commission said from the outset: "We will not defend the At and East; we will not attack the cancellation of the At and East".

But we in the transportation industry are particularly interested in the east coast ports like the port of Halifax and want offsets. We have been diligently working to try to create those offsets. One offset would be the assurance that the grain elevator in the port of Halifax is continued in operation, and a great deal of work has been done to accomplish that purpose.

There is also the matter of the impact on the agricultural industry and people have been looking at that. But the answer there is self-sufficiency in its feed grains, and a great deal of work has been done on that.

My point is to appeal to the member for Regina—Lumsden to allow the bill to pass. Let me tell you why. It is due to the fact that the bill has never been passed that there is this legal dispute, albeit an academic legal dispute, that has prevented to some extent the agreement with respect to offsetting benefits that would minimize the impact of the At and East.

We can go on with the argument. I think the member's party protested the legalities and brought the matter to court. The fact of the matter is that no shippers are using the At and East and no shippers intend to use the At and East. Again repeating myself, it is history.

I want to point out to him that there is a real disadvantage in not passing this bill, as Dover Mills Limited has found out in Halifax. There are now grain ships, flour ships, going right through to Thunder Bay and using the western grain transportation subsidy to move grain out of Thunder Bay which would otherwise have gone through Halifax.

There is a downside to not having this bill passed, and I wish he would understand and appreciate that.

Mr. Benjamin: Mr. Speaker, there is a perfectly good reason why there is no grain moving through Halifax and Saint John. When the railroads found out that if they moved that grain they would not get the subsidy as of January 30, 1990, they just refused to move it—except at the full commercial rate. That is why there is no grain moving through Saint John and Halifax.

They were warned, they were told, so was the Canadian Wheat Board; if the subsidy ain't going to get paid, we can't afford to ship it there—and it costs the farmers even more money.

There is another point the hon. member made, but he got me so stirred up that now I have forgotten what it was. But it doesn't matter because it wasn't a very good one and I was going to shoot it down, too.

However, in any case, this has been a cooked up set-up for over two years.

Mr. Crosby: It is history, Ben.

Mr. Benjamin: It is not history. Withdraw the damned bill and keep paying the At and East rate subsidy. You might get some friendly remarks out of Saskatchewan, Manitoba, Ontario, Quebec and Atlantic Canada, just for a change.

You know, you keep doing it. You keep niggling away at the few benefits that our grain producers and our transportation systems have, to the point where we have no railway tracks left in Newfoundland. The CPR wants to abandon that line into Halifax. With the At and East gone, they don't need it, they say. We have lost 3,000 miles of railway tracks in the three prairie provinces. We lost the Crow rate. Our trucking industry is in dire straits and so are our railroads.

It keeps saying that it is going to reduce the deficit. This is going to cost more than the programs cost and it is going to cost more in a lot of different ways.

We used to have the best rail transportation system in the world. We had two world leaders in airlines. We had an excellent trucking system with truckers who were responsible.

We get deregulation. Hells bells, now, if one can get the money from a bank, lease a couple of aeroplanes and hire a couple of laid-off flight crews, you are in business, and all that happens is that they take turns going broke. The same thing applies to the trucking industry. That is what deregulation got us.

I hope all my colleagues read that series of three articles in the Ottawa Citizen over the weekend, all the things that the witnesses before the transport committee warned you about in '85, '86 and '87. The government was warned. It was told repeatedly and chose to ignore it.

It is about time the government realized that, like the Speaker, they ain't 100 per cent right. In fact, they are a long, long way from being close to that. They have been wrong on this one. They have been wrong on several others. It is bad economic and transportation policy. When are they going to realize it and withdraw this bill?

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I first want to compliment my colleague on a very excellent speech. The one area I would like him to address is the possible relationship between the elimination two years ago of the At and East subsidy which assisted the movement of grains, to a certain extent, by rail to Halifax and Saint John, and the fact that today the

railroads are very, very worried about the ability of the American railroads to undercut them by taking away traffic that currently is destined for Halifax; not grain traffic, but container traffic, although we have also seen some shipped in marine. Is there a real danger that because of the At and East elimination this government is actually directly responsible for the decline in other movements to the ports in Atlantic Canada.

Mr. Benjamin: I want to assure my hon. friend that the repercussions of this are on things like container movement and general cargo movement. The American railroads and American ports, Boston in particular, will offer rate incentives and confidential contracts, which will further cut into the movement of cargo, other than grain, to Halifax and Saint John.

I want to make a final point. My friend from Atlantic Canada asked me a question. He quotes the Atlantic Provinces Transportation Commission. I do not know if he was in the committee, but when the minister, the hon. Mr. Lewis, was there we asked him why the alternatives to eliminating the At and East rates that were put forward by Atlantic provinces had not been studied in spite of the fact that that they had been received over a year before. My hon. friend tells us about the Atlantic Provinces Transportation Commission which sent that study to the then Minister of Transport over a year ago. He tells the transport committee he has not studied it. Obviously he had no intention of studying it.

The Acting Speaker (Mr. DeBlois): Order, please. The question and comments period is over.

Before resuming debate it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows:

[*Translation*]

the hon. member for York South—Weston—Immigration; the hon. member for Saint-Léonard—Quebec's regional development; the hon. member for Davenport—The environment; the hon. member for Don Valley East—Housing; and the hon. member for Northumberland—Immigration.

• (1650)

[*English*]

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to take part in this debate and put some facts and figures on the record, not only for this House of Commons but for those who might be watching and taking a keen interest in what is happening with this debate and with this legislation.

We also have to recognize that since this At and East Program was put in place in 1967, the world shipping and economies have changed. Our grain markets have changed dramatically throughout the world, so we have to position commodities where we can best do that.

In 1967, when that act was put into place, the government of the day established the subsidy for grain and flour shipments moving for export at and east of Buffalo, New York. I sometimes wonder how well all of us understand when that was done and why it was done. Maybe my hon. colleague was here when that happened. I do not know what year he came to the House, but quite possibly he was here at that time.

The objective was to preserve jobs by encouraging the use of Canadian rail grain handling and port facilities to export Canadian grain and flour instead of shipping via the U.S. eastern seaboard ports. The At and East rail rates were frozen at the levels in effect in 1960 for grain and in 1966 for flour. The program applied to grain and flour moving from Georgian Bay, Lake Huron, Lake Ontario and the Upper St. Lawrence to the Lower St. Lawrence and maritime ports for export.

At the time the program was put in place, Canada's biggest markets for grain and flour were in Europe. Nobody can argue with that because at that time that is where the markets were. For instance, in the 1967-68 crop year, the United Kingdom was our biggest market, importing 1.8 million tonnes of wheat and flour. Canada exported 4.6 million tonnes of wheat and flour or 50 per cent of our total exports to Europe that year, compared to 3.1 million tonnes or 35 per cent to Asia.

That was 23 years ago and a lot has changed since then. Our principal grain markets are now in the Asian Pacific Rim. In 1988-89 Canada exported 4.4 million tonnes of wheat and flour, 25 per cent of our total exports, to Europe and 6.7 million tonnes or 38 per cent to Asia.

With that shift in markets, there has also been a shift in transportation patterns. More of our exports now move through the west coast and competition from U.S. ports is no longer considered a threat to east coast ports.

This subsidy is no longer necessary to keep Canadian grain moving through Canadian ports. The majority of the program stakeholders have recognized the subsidy is not cost effective nor needed to keep grain moving through Canadian facilities. They have expressed a willingness to explore possible alternatives.

The At and East only encouraged the use of high cost transport routes instead of cheaper routes dictated by the marketplace. For example, Ontario grain was shipped backward, or west, in order to transit from Georgian Bay ports and qualify for the subsidy. It also encouraged extra handling and storage at these ports. We do not have the luxury of using money to do those things. We have to be very responsible in how we spend our moneys. We have to change to alternate programs. The subsidy cost the federal government between $21 million and $48 million in the 1980s.

In 1988, 655,348 tonnes of export grain and 201,677 tonnes of export flour moved under the At and East subsidy. Over 95 per cent of the exports went through Halifax and Saint John. The subsidy for that one year was $32 million.

Export grain moved by the program represented almost the entire volume of grain handled at the port of Saint John and about 60 per cent of the volume at Halifax.

The elimination of the program was announced in the budget in April, 1989, effective July 15 of that same year. Shipments in transit, as of July 15, were eligible for the subsidy if they were exported by January 31, 1990.

As a result of the termination of the program, the Halifax elevator has lost some of the grain it previously handled and the Saint John elevator has since closed.

From the point of view of the agrifood industry, the effects have been minimal. The Halifax elevator provides an important level of competition to rail for the shipment of feed grains into the region. This competition is estimated to save about $10 per tonne on feed grain transportation costs. The storage capacity of the elevator also ensures that there is an adequate supply of feed grain in the region at all times.

This has not changed. The Halifax elevator continues to serve the livestock, feed and flour industries. The Saint John elevator, which has closed, had been almost exclusively handling export grain from outside the region. As a result, its closure has had a minimal impact on the Atlantic agrifood sector.

The At and East program has been under review for a number of years. It is generally recognized that it was not cost-effective. In 1984 the program was assessed by the Canadian Transport Commission, and the Commission found that in the period from 1971 to 1981 the grain component of the subsidy created approximately 330 jobs, at an average cost of $86,780—and that is in 1981 dollars. In 1985, the Nielsen task force recommended termination of the program as a means of expenditure reduction. Since the Nielsen task force report, the Atlantic Provinces Transportation Commission, known as APT, has made a number of proposals mainly intended to maintain economic activity in the Atlantic provinces.

Last May the Minister of Agriculture and the Minister of State for Grains and Oilseeds announced that a study of the viability of the Atlantic elevators would be conducted under Agriculture Canada's Grains 2000 program. The Grains 2000 program is operated out of the National Grains Bureau in Winnipeg, and it was chosen specifically because it was designed to allow industry participation in its projects. Industry has participated fully in this study. A consultant was chosen and a 24-member steering committee representing agriculture and transportation interests in the Atlantic region was chosen to guide the consultant's work.

The consultant selected was based in Halifax and did the study in conjunction with other consultants based in New Brunswick. The consultant met with the steering committee several times and also met with other industry groups in the region. He also examined proposals such as those submitted by the APTC and the Halifax-Dartmouth Port Development Corporation.

The study concludes that the Halifax grain elevator is viable in the short term and can be made viable in the

long term for much less than the cost of the At and East program. The report suggests that Halifax can become viable by equalizing water and grain freight rates between Halifax and the St. Lawrence ports based on a payment of about $3 per tonne on an addition of 100,000 to 200,000 tonnes of grain. The cost of implementing this recommendation would be between $300,000 to $600,000 per year.

The Saint John elevator has unique needs, and to approach long-term viability it would require a marine off-loading lake as well as additional storage capacity to accommodate an increased level of throughput. In addition, assistance of over $1 million per year would be required from the federal government to equalize water freight rates between the Saint John and St. Lawrence ports.

The study also examined the potential for a seaport elevator on Prince Edward Island. The study concluded that the volume of grain moving to and from that province is not sufficient to justify a single-use facility at this time.

The report recommended that Transport Canada consider replacing the potato handling facility at Summerside with a multi-commodity facility.

The ministers now have the Grains 2000 report and are prepared to act on it. The government understands that the viability of the Halifax elevator is important to the local flour milling industry. The government also recognizes its importance to livestock producers and understands that the removal and the termination of the At and East has reduced the volume of grain moving through the port. For livestock and feed industries, Halifax represents a competitive alternative to rail for shipping feed grain into the maritime provinces.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 5 p.m., pursuant to Standing Order 30(7), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

• (1700)

[*English*]

ATOMIC ENERGY CONTROL ACT

MEASURE TO AMEND

Mr. Bill Blaikie (Winnipeg Transcona) moved that Bill C-204, an act to amend the Atomic Energy Control Act (ending development and exportation of prescribed items and substances) be read the second time and referred to a legislative committee.

He said: Mr. Speaker, my hope for this bill, Bill C-204, is that it might become the vehicle for a long overdue debate in this country about Canada's commitment to, and involvement in, the nuclear fuel cycle and all which that entails, from uranium mining through to waste disposal.

It is a debate which, when I was elected in 1979 seemed about to occur. The new Progressive Conservative government elected on May 22, 1979, was promising a parliamentary inquiry into nuclear energy. The motive for the inquiry was mixed.

The nuclear industry in Canada was a creation of successive Liberal governments. The Conservatives were open to an inquiry which, as well as raising fundamental questions as some had in mind, would uncover Liberal sins, the greatest of which, for some, was the failure to more successfully market Canadian reactors.

In any event, the government fell and with the return of the Liberals it was business as usual for government and the nuclear industry. All attempts to get any kind of public debate or input were stymied.

For instance, I tried in 1980 to get the then energy minister, Marc Lalonde, to hold hearings on the proposal to build the underground research laboratory at Lac du Bonnet, Manitoba, but to no avail. I also introduced a private members' bill at that time which called for a moratorium, an inquiry and a referendum on nuclear power. It was debated for an hour and then disappeared into history, as almost all private members' bills did at that time.

Since then, we have had the reform of private members' business which permits some private members' bills to be chosen as votable, a designation which provides for longer debates and a vote. This has meant on occasion that bills which would only have been debated once and

forgotten have actually become law, because MPs have seen fit to give a bill their support freed from the discipline of government business.

One such bill is former Bill C-204, sponsored by the former member for Broadview—Greenwood, Lynn McDonald, who I might say is also involved in the life of this bill as a leader in the campaign for nuclear phase-out. Obviously, my hopes for this bill are that it, too, might become law.

Having said that, I appeal at this point to MPs on all sides of the nuclear issue to support this bill at second reading so that it can be sent to a committee and become the context for a much needed debate.

Returning to the history of non-debate which I was recounting before, all we got from the Liberals between 1980 and 1984 was an internal departmental review which not surprisingly concluded that everything was all right.

There was some hope that the Conservatives in 1984 might return to their 1979 policy of having an inquiry, but this was not to be. Now we have the current minister of energy, the hon. member for Provencher, making speeches all over the place about the importance of nuclear power to Canada's energy future.

Just today, the minister of energy, speaking to a meeting of the Canadian Nuclear Association in Saskatoon, made an offer of federal money to the province of Saskatchewan to help bring a nuclear reactor to Saskatchewan. This is a classic case of one government with absolutely no mandate negotiating with another government with absolutely no mandate on anything, needless to say no mandate with respect to choosing to locate a nuclear reactor in that province.

Where does this strange commitment come from on the part of the minister of energy and on the part of the government as a whole? It is not from any visible, parliamentary, political or public process, that is for sure. We have had committees which looked at isolated aspects of the entire nuclear issue thanks to the freedom given to committees to study what they want.

A committee looked at food irradiation, for example, and recommended against it. The then minister of health ignored its recommendations. Who was the minister of health at that time? The member for Provencher, who is now the minister of energy and chief promoter of the nuclear option.

Another committee looked at high level radioactive waste disposal, producing a report called *The Eleventh Hour*, which made a number of good recommendations, most of which have been ignored by the current government. Is it just a coincidence that the research going on into high level radioactive waste disposal, not to mention the entire Whiteshell Nuclear Research establishment, is located in the riding of who? The hon. member for Provencher, who when he was the minister of health, systematically withheld information available in his department about radiation levels in Canada after the accident at Chernobyl.

I do not want to dwell too much on the hon. member for Provencher. He is simply an archetype of those whose minds are captive to the mindset of the nuclear industry, with a dash of constituency politics thrown in for good measure.

Of course, now the minister of energy and the nuclear industry have discovered the environment, particularly the greenhouse effect. Those who for years vacillated between heaping scorn on environmentalists or ignoring them now purport to have been Greenpeacers in disguise all these years and offer to lead the planet away from the dangers of greenhouse gases into the benign and beckoning embrace of increased reliance on nuclear generated electricity.

We recently had a unanimous report in this House from a committee that looked at the issue of the greenhouse effect for 18 months. That unanimous report made no recommendation whatsoever that nuclear energy ought to be regarded as Canada's response to the greenhouse effect. Yet, we have the hon. member for Provencher, the minister of energy—and I read his speeches faithfully as they come across my desk—saying time after time after time that nuclear energy is the answer to the greenhouse effect. Once again he is ignoring the unanimous views of a committee of this House as he did before with respect to food irradiation. If this is parliamentary reform, if this is giving hon. members more input into government policy, then I am

truly mystified as to what the government might mean by its rhetoric.

Not surprisingly, I find the greenhouse strategy of the nuclear industry to be reprehensible and wrong, particularly when it manifests itself in the TV ads by the Canadian Nuclear Association, an association whose major members are taxpayer funded organizations like AECL. In the absence of any real debate and/or decision by Parliament, why should public money be channelled into advocating only one side of the issue? Let us have a good debate. Let us pass this bill on second reading. Let us get it into committee and let us have a committee process in which all sides and all aspects of the debate can be aired and heard, including the issue of whether the nuclear option is the answer to the greenhouse effect.

Otherwise, if the government and/or its members defeat this bill and prevent such a process, perhaps they should provide the Campaign for Nuclear Phase-out or Energy Probe or the Concerned Citizens of Manitoba or various other environmental groups with the funds to design and broadcast ads, putting the other side of the case that is now being made on TV by the Canadian Nuclear Association.

In the time I have left, I would like to enter into the substance of the debate and give an account of why my own view is that we should discontinue the nuclear option, a view which I have held since the early 1970s when I first became active in anti-nuclear politics, long before I got to this place.

At the root of my position on this issue is not some sort of Luddite, negative reaction in principle to new technologies or progress.

• (1710)

My life is full of, and dependent upon, a variety of new technologies, many of which I quite enjoy and which I think greatly increase our quality of life. At the root of my opposition to the nuclear option is the quite rational judgment, which is therefore debatable, that the risk involved in nuclear energy is not acceptable, especially when we have other choices. The problem with a nuclear reactor is that when something goes wrong it really goes wrong and all the years of safe operation, all the years of pious assurances, all the years of technological hubris, are to quote an old hymn "like an evening gone". The damage, the disruption and the other negative consequences last for lifetimes.

It is, as it has been called, an unforgiving technology, a Promethean bargain, that has only tragedy as its last result however long that result may take to occur. I have seen such consequences with my own eyes in Ukraine on the way into Kiev from the airport where older single family neighbourhoods are being bulldozed in order to facilitate the construction of high-rise apartments to house the some two and a half million people who have had to be relocated or evacuated as a result of the accident at Chernobyl.

I know that the reactor at Chernobyl is not identical to Candu reactors. I know that our system is better. I know that human error was involved at Chernobyl, but unless we are being asked to believe that our system is completely and utterly fail-safe and our people without capability for error then we have to ask ourselves whether the prospect of having to evacuate Toronto and environs, however improbable, is a risk worth taking when there are other choices.

I say that it is an unacceptable risk needlessly perpetrated by an over-all commitment to an energy policy dictated by the institutional self-interest of the energy supply industry in this country. Within this the most glaring institutional conflict of interest is the way in which AECL is asked to both market and make judgments that could affect the marketing of nuclear reactors.

A good example of this is AECL's involvement in high-level radioactive waste disposal. Being able to say that the waste disposal problem has been solved is crucial to the successful marketing of reactors abroad. For that very reason it should not be AECL that primarily determines the acceptability of disposal options. It should not be the institution which depends on a solution being perceived to have been reached and which is responsible for the judgment about whether that solution has indeed been found.

An even better example of this institutional self-interest is the way in which AECL at the Romanian reactor site in Cernavoda managed to turn a blind eye for years to the fact that it was a forced labour camp to which people were being conscripted to work, as well as to many other things in terms of structural flaws, et cetera, in the work being done there. AECL turned a blind eye

in order not to damage the prospect of further reactor sales abroad.

In any event, the rejection of risk because of the magnitude of the consequences rather than the probability of the consequences is an ordinary human judgment that we all make all the time. This is what many Canadians are doing in their rejection of nuclear power. Indeed, this is what the nuclear industry itself seems to be doing by insisting on things like the nuclear liability act which exempted it from any meaningful liability in the event of the kinds of accidents it keeps telling the Canadian public are so improbable. If these accidents are so improbable, why has the nuclear industry sought and received and now seeks to maintain this kind of protection from the consequences of accidents that it says itself are improbable? It is because it has made the same kind of ordinary rational judgment that the magnitude of the consequences make nuclear power a special case. That is what those of us who are against nuclear power are saying.

As for uranium mining and waste disposal, these for me are classic examples of inter-generational moral issues. We need to ask ourselves tough questions about whether we really have the right to bequeath to subsequent generations a world full of uranium tailings and lethal waste, not to mention the aboriginal justice issues raised by uranium mining itself in northern Saskatchewan for example.

Finally, there is the link between nuclear power and nuclear weapons which, in the final analysis, is the genesis of the special mystique attached to the nuclear industry in Canada and elsewhere ever since the Manhattan Project and the development of the atomic bomb. It is this link to the ultimate evil of planetary destruction which has provided the nuclear industry with a unique immunity from political accountability and authentic debate because it has its origins as a strategy for diverting public attention away from atoms for war to atoms for peace.

Nuclear power has been protected for years because it is the means by which nuclear technology for the purposes of global death has been morally and politically laundered. Even the Brundtland commission fudged on this issue, which is an example of the power of this issue and its relationship to matters of national security and nuclear weaponry.

In July 1986, following the Chernobyl nuclear disaster, the federal NDP caucus launched its own public inquiry into all aspects of the nuclear fuel cycle in Canada. The inquiry was co-chaired by myself, as NDP environment critic at that time, and the former member for Vancouver-Kingsway, Ian Waddell, who was NDP energy critic at that time. We held hearings across Canada, received numerous briefs and presentations and conducted additional research into a variety of issues. No report was ever published because of a shuffle in critic portfolios that took both of us into other areas of concern before it was completed.

I would like, at this time, to share what I think were some of the major conclusions that were emerging from that process, all of which are in keeping with the spirit and substance of this bill.

One, the nuclear fuel chain from uranium mining to high level waste management poses unacceptable hazards to human health and the environment.

Two, nuclear power and nuclear arms are inextricably linked.

Three, nuclear power is unnecessary to meet Canadian energy needs. There are cheaper alternatives, notably demand reduction through improved energy efficiency.

Four, the Canadian nuclear industry has been a drain on the public purse. Alternative investments could create more long-term jobs and more balanced economic development.

Five, Canada's involvement in the production, manufacture, sale and use of nuclear materials and technology for all but medical purposes should be phased out.

Six, such a phase-out should be seen not in negative terms but as an opportunity to revitalize and retool the Canadian economy by reducing costly energy over-consumption in favour of a much more efficient energy use.

We could finally have an energy policy that reflected more than the narrow self-interest of the energy supply industry, an industry which, far from being interested in sustainable growth, is still committed to the infinite growth in a finite world that the Club of Rome warned us about 20 years ago.

• (1720)

Mr. Speaker, I see that you are indicating I have very little time left. I wonder if I could ask the indulgence of the House to just finish my remarks.

Some hon. members: Agreed.

Mr. Blaikie: Seven, the Nuclear Liability Act should be repealed and nuclear designers, suppliers and operators should bear full responsibility for any damage which may be caused by nuclear reactors and other nuclear facilities.

Eight, operating nuclear reactors and other nuclear facilities should be required to implement the best practicable technology for reducing risk and radiation exposure.

Nine, enforceable authorized limits for radiation exposure should be established for workers and the public from each nuclear facility, including both individual and collective limits.

Ten, the Canadian government should demand a shutdown of U.S. nuclear facilities which threaten Canadian lives and communities, including Perry, Fermi II and the Hartford Nuclear Reactor in Washington pending a public review of the facilities in consultation with Canadian nuclear regulatory officials.

Eleven, a reciprocal agreement with the U.S. should be established for continuous monitoring of all transboundary nuclear hazards. The IJC could provide a suitable mechanism for administering such an agreement.

Twelve, all aspects of visits to Canadian waters of nuclear powered and nuclear weapons capable vessels should be the object of a separate inquiry done in consultation with effective municipal and provincial governments as suggested by Gretchen Brewin, Mayor of Victoria, in 1986. In the meantime, until such inquiry reports, a moratorium on such visits should be in effect.

Thirteen—and I will be winding up soon—further construction of nuclear reactors should be halted in order to pursue other energy alternatives and in so doing to also minimize the accumulation of even more high-level radioactive waste.

Fourteen, there should be a permanent and legally enforceable ban on net imports of nuclear waste from other countries.

Fifteen, there should be a ban on reprocessing of waste from Canada and from other countries and an end to research in this technology by AECL and other government supported bodies.

Sixteen, responsibility for waste management should be removed from AECL and given to an independent commission reporting to the Department of the Environment with full public participation at every stage of the decision-making process and ample funding for the development of independent technical expertise.

Seventeen, there should be a legally enforceable guarantee that Manitoba and other non-nuclear provinces will not be required to host a nuclear waste facility.

Eighteen, waste generators should be required to bear full costs of high level waste management, including intervener funding, hearings, research by Environment Canada and others, compensation for host communities and liability insurance for waste sites, et cetera. Let the real costs of the nuclear product be seen and felt in the marketplace. I say this to my friends on the other side who are great fans of the marketplace.

Nineteen, Canada should be pushing for a change in the terms of reference.

Mr. Kilgour: With great respect, there are a number of people who want to speak in this debate. I hope he will not speak for more than another few seconds.

Mr. Blaikie: Nineteen, Canada should be pushing for a change in the terms of reference of the International Atomic Energy Agency so that it is no longer responsible for promoting nuclear power as well as preventing its misuse for military purposes. The IAEA's commitment to nuclear power has damaged its ability to report objectively on nuclear accidents.

A full accounting of all forms of public subsidy and support to nuclear power should be published, and a study of the impact of anticipated job losses in the nuclear industry should be conducted with a view to devising strategies for a transition to a post-nuclear energy economy.

Finally, I say to those who work in the nuclear industry that it should not be thought that there will be no more jobs in the nuclear industry if there were to be a nuclear

phase-out. There will be jobs for decades to come in decommissioning nuclear reactors, in figuring out what to do with all the high-level radioactive waste that we have to deal with already. All that a nuclear phase-out would do would be to turn the attention of the best minds in the nuclear industry to how to get ourselves out of this mess that we are in rather than how to get ourselves even deeper into the mess that we are already in.

I am sorry that my time has expired, and I am sorry that I may have treaded upon the indulgence of the House. I had even more to say, but I am anxious to hear what others have to say.

Mr. René Soetens (Ontario): Mr. Speaker, I rise to participate in this debate with some serious concern about the comments I have heard. Perhaps I will just refer to two very brief ones from the hon. member that I find interesting.

The hon. member talks about the government of which I am a member having no mandate to talk to another government in Saskatchewan, which he again says has no mandate. You have to understand that we are talking about a government that has a majority in this House talking to another government that has a majority in another House, and who is accusing us of not having a mandate? A person from a party which represents 22 per cent of the votes in Canada, which represents some very few seats in this House. I do not know who has the mandate and who does not.

I would suggest to the hon. member that he ought to look at who has the mandate and who has the right to make decisions on behalf of this country.

The other issue that I find rather exceptional in his comments is this. He says that we ought to be concerned about generational issues, that we ought not leave to our children and our grandchildren, et cetera, some of the legacies that we have today. I wish that party would have that attitude when it comes to spending money. I wish they would be concerned about that every time they rise in this House and say spend, spend, spend and let other generations worry about it. But that is not what this debate is about.

This debate is about nuclear energy and the benefits of nuclear energy to Canada. I want members to understand what we are talking about here. First off, my riding has one of the longest, largest operational nuclear power plants in Canada, the Pickering nuclear generating station. It has in its capacity eight reactor units. Those reactor units provide approximately 20 per cent of the electricity that the province of Ontario consumes. So I have an interest, and I have a direct interest as a constituent and as a person who represents a constituency. That plant has operated without fail, without harm to any of its employees because of the fact that it is a nuclear plant since, I believe, 1964.

What do we have proposed here by this resolution? The resolution says that the Atomic Energy Control Board would refrain from licensing any nuclear power reactors starting in January, 1992, for 50 years. Fifty years we are talking about.

What would that do to Canada's economy and what impact would it have on the environment, short and long-term. I would like to talk about some of those, because there are some short-term impacts that would be rather dramatic to Canada, and particularly devastating to certain regions, including a region that I happen to represent. It is not just the riding of Ontario, but the province of Ontario.

Among the first victims would be the consumers living in the province that I live in and represent. Bill C-204, the one being proposed here, would prevent Ontario Hydro's Darlington nuclear power plant from having its last two reactors, reactor numbers three and four, licensed. The taxpayers of Ontario, the electricity consumers of Ontario, the NDP government of Ontario, which have invested $14 billion in building a new plant in Darlington, would be deprived by the NDP party of this House from commissioning and putting in place a reactor that will provide 10 per cent of the electricity to the province of Ontario.

It is amazing how they would stand for that. Even the NDP party of Ontario does not have the guts to do that kind of thing, yet these people over here in their glass houses sit there and say would it not be great to do so. Well, I find that rather unacceptable, particularly when these reactors are slated to come onstream in June and March of next year and the year following.

The inability to obtain operating licences for these two reactors would have a significant impact. There are some 935,000 customers in Ontario who would lose the benefits of access to this electricity that is needed a year and a year and a half from now.

Where do we go for it? I know where they would say we would go for it. They would just as soon we go to Ohio because there is no generating capacity in Ontario. We can go to Ohio and have them fire up their oil-fired generating plants so they can spew their acid rain over the province of Ontario and Quebec. That is what they prefer we do. What else would they prefer we do? Maybe go to northern Quebec and dam up a few more rivers and flood a few more terrains so that we can have the electricity. You cannot dam rivers in a year and a half, but that is what they would have us do. Or maybe it is because the member is from Winnipeg. He prefers to go to Winnipeg or the province of Manitoba and buy some electricity from one of their dams and rivers that they are talking about damming up.

• (1730)

Where is the NDP's concern over all those matters? I find it rather insignificant on its part that it would even address those other subjects. Immediately, a year and a half from now, it would throw away some $8 billion or $9 billion without any thought. But, then, that is the NDP, so I guess I should know better.

It goes on from there. There is another impact of this whole resolution. We recently sold a Candu-6 unit to Korea. Canada has been trying to export our technology, trying to export our jobs, trying to create increased technology. Kill that sale, make that sale die is what it is proposing in its resolution. If you kill that sale, you kill an awful lot of opportunities and jobs for Canadians.

What does it mean? Well, $400 million of economic activity in Canada and 28,000 person-years of employment lost. From the party that talks about trying to create jobs in this country, by this simple resolution 28,000 man-years of work are gone with the scratch of a pen. I cannot believe that it truly—well, I can, because that is its way of doing things. I just find that the whole concept the NDP is proposing carries on this process.

He says: "Pass this bill so that we can have a debate, so that we can take this to a committee and have a debate". Simply passing this bill would send the signal to those parts of the world that are looking at new reactors, new technology, that maybe Canada is having second thoughts, we ought not to look at Canadian reactors.

Imagine doing that to the Canadian industry. The NDP will do it. However, a government that I am a member of had better not because that is absolute folly.

Now, I will talk about our international reputation because it is a rather significant point. This Korean contract, if we cancel it, if we cancel any other potential sales or any interest,we must consider that so far the taxpayers of Canada have invested about $4.2 billion in creating this industry in Canada, $4.2 billion. With a stroke of a pen, the NDP would write it off. Amazing. That is NDP socialist philosophy—go ahead, write it off, don't worry about the impact. Another $4.2 billion gone.

An hon. member: Then they will print money.

Mr. Soetens: Then they will print money, as one of my colleagues says. That just goes on, and of course that is the immediate impact. Never mind the immediate environmental impact that it doesn't seem to want to talk about. I find the whole concept of what it is proposing to be absolutely ludicrous.

Just think about it in another perspective, though. The member says: "Don't worry, there won't be any loss of jobs because there will be all these jobs available to decommission the plants". Isn't that ludicrous. Isn't that absolutely ludicrous. First off, what do you do for electricity? He has not answered that question in his whole debate. What do you do for electricity while you are decommissioning these plants? What happens to the technology that is required to keep the Bruce nuclear reactor, the Pickering reactor, and the Darlington reactor running? Shut down the industry and you may find that without that ongoing technology, it just doesn't happen. I find it rather deplorable to hear the member say there will be lots of jobs available in shutting it down.

There is $30 billion worth of investment in Ontario—that is the province I represent—by Ontario taxpayers and energy consumers, and he says: "Write it off, shut it down".

The list goes on. It goes on further. Those are some of the short-term immediate impacts. There are others, and some of them relate to the economy and the

environment, and the world's environment. They talk about that in their party. I know the NDP are really not serious on the environment, but it does talk about it.

We in Ontario have 17 reactors. There is one in New Brunswick and there is one in Quebec. I am talking about large electrical-generating reactors. They generate some 11,000 megawatts of power. That is an awful lot; 16 per cent of all the electricity generated in Canada, 44 per cent of all the electricity consumed in Ontario, 40 per cent of the electricity consumed in New Brunswick. Not small numbers, not by any stretch of the imagination, and in certain regions of Canada very expensive things to replace, and certainly items that are not replaceable instantly. This bill would prevent construction.

As have other speakers, I would like to wrap up with another minute or two if I could have consent of the House to do so. I realize my time is up but I would look to the House for that approval.

I think it is important that we cannot just do away with 50 years. That is what we are hearing, a moratorium for 50 years. It is important that we continue to generate electricity, that we continue to have the options available to us.

I have a lot to say.

The Acting Speaker (Mr. DeBlois): Order, please.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, the case has been well made by the proposer of the motion as to why this matter should go to a committee for a full-fledged debate on the matter.

I understand that this matter will stop at six o'clock p.m. and it will come up again in the fall for a continuation of this debate so that how the Liberal Party will vote is not to be determined by what is going to be basically a pro-nuclear speech here.

We have people on all sides of the issue, and we are not speaking with one voice. We are not monolithic.

To end the development and export of nuclear substances, nuclear reactors and atomic equipment and materials required to build nuclear reactors, which is ultimately the purpose of the bill as I think the member would admit, would mean a step backward in the economic development of Canada.

Regarding livelihoods of many Canadians and our international reputation, we have about 39 per cent of the world's uranium supply and have developed a very successful and comparatively safe nuclear industry in this country. Our industry sells about $1 billion worth of uranium to domestic and foreign electrical utilities annually.

For years, Canada has been the world's largest uranium exporting country. In 1984, we became the largest producer, surpassing the United States.

After a decade of very little growth in the Canadian nuclear power industry, the 1990s looked promising for future expansion. The international markets for safe nuclear power plants are showing strong signs of revival. AECL predicts that its sales will triple over the next four years to about $660 million from $191 million in this fiscal year.

The nuclear power plant sold to South Korea will inject $400 million into the Canadian economy, creating about 7,000 jobs over a four-year period. With growing concerns about acid rain and the greenhouse effect, the Canadian nuclear industry has seized the opportunity to promote a technology that does not emit large quantities of SO2 and CO2 into the atmosphere.

Uranium, as members know, is largely sold to fuel nuclear reactors for electricity generation. The use of nuclear energy for that purpose is forecast to increase from the present 15 per cent to 20 per cent by 2020.

The increase in demand for nuclear energy will result in an increasing demand for uranium and create economic opportunities for Saskatchewan, which possesses vast reserves of uranium. It supplies over 20 per cent of the uranium produced in the western world.

The alternatives to nuclear energy in source provinces are running out. There is little hydro potential in Alberta, Ontario, Saskatchewan or the Atlantic provinces. Saskatchewan must have a new generating capacity in the next four or five year, and the nuclear option is a viable one.

I am the first to agree that nuclear energy must be very critically assessed. Many future scenarios indicate that meeting energy needs and environmental demands without nuclear power will be difficult. Nothing is perfectly safe, and this must apply to nuclear electrical generation as well. The tragic catastrophe in 1986 at Chernobyl brought the issue to the minds of everybody in the world.

That incident prompted the International Atomic Energy Agency to introduce two new international conventions. I will not give the details because my time is very short. We signed both of those conventions.

The incident resulted from an incredible series of human errors, incompetence, arrogance and bureaucratic squabbling in a then totalitarian system. The list of violations is extensive. It hardly needs to be said that safety precautions were nonexistent at Chernobyl.

Unfortunately, everywhere else in the world the social and political fall-out from the Chernobyl accident seems to be as long lived as the radioactivity it spewed. It provided opponents of nuclear energy with fresh ammunition. It was a tragic aberration in the history of nuclear power.

The Chernobyl type design, and this cannot be stressed too strongly, is not used anywhere except in the Soviet Union and could not be licensed to operate in our country.

• (1740)

Proponents of nuclear power express confidence that a new age of commercial reactor-building is already at hand, thanks to various breakthroughs in nuclear power technology. Advanced reactor designs are safer than existing models and can be built faster and for less money. A number of reactors being developed in the U.S., such as General Electric's fast-breeder PRISM reactor, Rockwell's SAFR reactor and the Department of Energy's Modular High-Temperature Gas-cooled Reactor, for example, incorporate self-shutdown mechanisms which require no mechanical, electrical or human intervention.

It remains, as we all realize, to convince a very sceptical public—I was one myself but I think the facts are beginning to change my mind—that commercial nuclear power is more reliable than ever.

The main economic disadvantage of building nuclear generating plants is their capital intensity, which makes them extraordinarily expensive. For example, in mid-1990 Ontario Hydro announced that the final price tag for Darlington would be more than $12.7 billion. It remains unknown how much it would cost to decommission a nuclear power plant once it reaches the end of its life cycle.

Yet, once in operation, nuclear generating systems produce cheaper energy per unit than thermal generating ones.

Since the Chernobyl incident, the use of nuclear energy has continued to grow around the world. In 1986, 26 nations operated 396 nuclear energy plants, which provided 15.5 per cent of the world's supply of electric power. In 1990, 25 nations operated 424 nuclear energy plants, providing about 17 per cent of the world's electricity. The steady expansion of nuclear energy world-wide since Chernobyl vindicates the safety and benefits of western style nuclear energy plants. World-wide nuclear energy has displaced over 15 billion barrels of oil and saved $420 billion, I understand.

Our country relies on nuclear power for nearly 16 per cent of its electrical generation. Two new Candu reactors have been brought on line since the Chernobyl incident. In total, there are 20 Candu reactors operating in the country; 18 in Ontario and one each in New Brunswick and Quebec. Two others are, of course, under construction in Ontario. In 1989, four Candu reactors were included among the top 10 world reactors. The Point Lepreau station, located in New Brunswick, has been a world performance leader, producing power for more than 93 per cent of its eight-year life.

Now, what about other countries? In France, the number of nuclear energy plants increased from 49 in 1986 to 56 in 1990, supplying about 75 per cent of France's electricity, the equivalent of 68 million tons of oil. The French are proceeding with the development of a fast-breeder reactor, with the potential to deliver 50 times more energy from uranium than the standard water reactor.

In Sweden, the country that my friends in the New Democratic Party love to point at, I understand the government is moving away from its decision to phase out nuclear power by 2010. I understand that the Swedish government has concluded that it cannot afford to lose such a clean, low-cost source of electricity. In January 1991, the three political parties decided not to close two units in 1995 and 1996. Again to the member who proposed the motion, public opinion polls in Sweden showed last year that 75 per cent of the Swedish people believe nuclear energy will still be used after 2010.

Italy, which closed down its nuclear energy plants after Chernobyl, is now reconsidering since nuclear energy is the only valid alternative to the country's near total dependence on energy imports and oil.

What about Japan. A long-term government strategy calls for nuclear energy to supply 43 per cent of all electricity by 2010, up from 26 per cent today. To reach that goal 40 new reactors must be built.

There seem to be no insurmountable technical problems of solidifying wastes into chemically stable forms and disposing of them permanently, but political opposition has delayed the execution of specific projects in many countries. Waste disposal is therefore in hand only in the technical sense, but is well behind the schedule necessary for nuclear power to play an increasing role in the decades ahead.

Both the French and the Japanese convert their most toxic waste into a stable, glassy substance and store it in concrete bunkers at least several hundred metres below the ground. This is a temporary solution until experts determine where to dispose of the waste permanently.

There are obviously undesirable problems associated with the transportation of nuclear fuel and waste, as well as with maintenance or decommissioning of old plants at the end of their operating life. Where the equipment or building materials have become radioactive, the storage must be long-term and secure. Decommissioning costs escalate and the economics of the next generation of plants will become tougher.

However, the greenhouse effect is often a powerful argument for increasing the use of nuclear power if the safety and waste problems can be overcome.

I would ask the members: Is society better protected by dumping huge quantities of SO2, NOX or CO2 particulates and other contaminants into the atmosphere or by isolating relatively small quantities of radioactive waste?

A dispassionate view of the role of nuclear energy and global warming control was provided by a witness at the hearings of the Standing Committee on the Environment with impeccable environmental credentials, Dr. James Bruce. He said:

> Where the nuclear option looks to be a reasonable option from the economics of the situation, then I think it is probably better from the point of view of the world's atmosphere than to build a fossil fuel plant.

The Acting Speaker (Mr. DeBlois): Order, please. Your time is over.

Mr. Kilgour: I could perhaps ask another favour, if I move more quickly, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): Does the House give its unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Very briefly.

Mr. Kilgour: Thank you. I will skip a page-and-a-half, Mr. Speaker.

Nuclear power is different not only from fossil power but even from the solar option. Fossil fuels are sooner or later depletable, solar and nuclear are not. Unlike solar, the current status of the nuclear industry offers an infrastructure that would allow for the deployment of nuclear energy on a massive scale in the foreseeable future.

I would finally quote—well, I will not quote, I will end right there. Thank you very much, Mr. Speaker.

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BUSINESS OF THE HOUSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, on a point of order. There have been discussions among the three parties and I am sure you will find consent for the following motion:

> That, when no member rises to speak on debate on Tuesday, June 11, 1991, on the motion for the third reading of Bill C-11, an act to amend the Railway Act (grain and flour subsidies), the Speaker shall adjourn the debate; and
>
> That the resumed debate on such motion be called on Friday, June 14, 1991, with one speaker, for up to 10 minutes each, from each recognized party in the House, followed by the question being put on the motion and any requested recorded division being deferred to 3 p.m. on Tuesday, June 18, 1991.

The Acting Speaker (Mr. DeBlois): Does the hon. House leader have the unanimous consent of the House to move the motion?

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, on a point of order, I want to confirm that the words of the motion that indicate the Speaker is to adjourn the debate mean that at that time the House will proceed immediately with the late show. In other words, there will be no other item of business called and the late show will proceed whenever that magic moment arrives

that no other member rises to speak, should that happen before 10 p.m.

Mr. Cooper: Mr. Speaker, on a point of order, I can confirm that even though we do have a rather extensive list that we could draw from, we will not call any further business and we will then immediately go to adjournment proceedings.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, on a point of order, things may have changed under the new rules, but when I used to have the position that the hon. parliamentary secretary has, I do not think we got up during private members' hour to do this. We did this at the end of the private members' hour debate, and I wonder why we are not doing that today, if I am correct in that hypothesis.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, once again to demonstrate our co-operation to the parliamentary secretary to the government House leader, we would concur with the intent of this particular motion. But if memory serves me correctly of our meeting this afternoon, this motion was to be brought forward later this evening when the debate on Bill C-11 would collapse, if in fact it did collapse. However, I accept the intent of the hon. member opposite and I presume that my colleagues to the left will consent to this particular motion to which we now give our consent.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I am not here to dissent. I understand that discussions have been held. However I would ask that the time which this little intervention has taken not be taken away from private members' business and that the appropriate number of minutes be added so that we can continue past 6 p.m.

Some hon. members: Agreed.

• (1750)

Mr. Cooper: Of course we would have no problem with that in the couple of minutes that this has taken in the normal time of Private Members' Business.

[*Translation*]

The Acting Speaker (Mr. DeBlois): What was just said is well noted. Does the House give unanimous consent for the request of the hon. parliamentary secretary to the government House leader to talbe this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Motion agreed to.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

ATOMIC ENERGY CONTROL ACT

MEASURE TO AMEND

The House resumed consideration on the motion of Mr. Blaikie (p. 1465)

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, I am delighted to have this opportunity today to address the House on Bill C-204 put forward by the hon. member for Winnipeg Transcona.

I would like to take a moment, Mr. Speaker, to look at the nuclear industry in the national as well as global context. Mr. Speaker, the government of Canada actively supports the availability of a wide range of electricity supply options, including fossil fuels and nuclear power, as well as the various renewable options, such as biomass, wind, and solar power.

Conservation will also play an important and growing part in the overall future of electricity generation. Indeed, nuclear-electric generation compares favourably with other sources in terms of its overall environmental impact and does not contribute to acid rain, nor the greenhouse effect.

In sustaining a strong and viable nuclear industry, the governement of Canada continues to support the development of the uranium mining industry, as it has done for more than forty years. For decades, Canada has been the world's leading exporter of uranium and has ranked second behind the United States in terms of uranium output.

In 1984, Canada replaced the U.S. as the Western world's leading producer, and now produces more than twice as much as its nearest competitor, and one-third of the world's output. Today, the uranium industry in Canada employs almost 3,000 people, and generates revenues of close to $1 billion annually. Roughly 85 per cent of the uranium produced in Canada is destined for export, mostly to the United States, Japan and Western

Europe, where it is a major contributor to national energy programs.

Our uranium exports are critical to the electricity supply mix of our trading partners. For example, Mr. Speaker, how many realize that, in France, 70 per cent of the total electricity supply is nuclear-generated. In Belgium, the figure is 66 per cent, while in Sweden it is 47 per cent, in Switzerland 37 per cent, in Finland and Spain 36 per cent, in Japan 27 per cent, and in the United Kingdom and the United States about 20 per cent. These contributions are not insignificant, and Canada is a major source of fuel for many of these national programs.

In this latter context, Mr. Speaker, Canada's uranium producing industry is critical to our obligation under the Canada/U.S. Free Trade Agreement, which was implemented early in 1989. The FTA provides clear benefits to both Canada and the United States. It ensures that Canadian producers will have access to the U.S. market and that U.S. utilities will have access to Canadian uranium on competitive terms.

Uranium ranks sixth in terms of output value among Canada's metal commodities after copper, zinc, gold, nickel, and iron ore. However, it is much more important as an energy commodity. In 1987, Canada's uranium output was equivalent, in thermal energy terms, to the production of petroleum and natural gas combined, or almost four times Canada's production of coal. Canada has proven, untapped uranium resources which will ensure our dominant position in world markets well into the next century.

Like its competitors, however, Canada's uranium industry is currently facing an uncertain market, plagued by low and volatile spot prices, significant excess inventories and new sources of low-priced uranium from Eastern Europe.

Mr. Speaker, the proposed Bill would undermine the Canadian uranium and nuclear industries, resulting in the loss of thousands of jobs and millions of revenue dollars. Surely, Mr. Speaker, this is the time when the uranium mining industry deserves full support from governments, since uranium remains a highly valued energy resource for Canada and its principal trading partners.

Mr. Speaker, much of the increased concern about protecting the environment is focused on the uranium and nuclear industries. These concerns are shared by everyone who agrees that we should not pollute our natural environment. With regard to uranium mining, the government of Canada is confident that the monitoring processes instituted by both the federal and provincial regulatory agencies and the strict standards required by them has served to minimize environmental impacts and protect the health and safety of the mine workers and the public alike.

The uranium industry is one of the most highly regulated of all industrial activities. It should be pointed out that all Canadian uranium operations are classified as nuclear facilities. As such, they are controlled by the federal Atomic Energy Control Board (AECB) under the provisions of the Atomic Energy Control Act and the regulations derived from the Act.

The AECB issues licences for the operation of uranium mines only after ensuring that they will not have a significant effect on the health and safety of the mine workers and the public, and after reviewing measures designed to ensure adequate protection of the environment.

Mr. Speaker, Canada is committed to ensuring that the future development of uranium resources will not cause serious environmental impact. In April 1991, the AECB referred six proposals for new uranium mining projects in Saskatchewan for public review by an independent Panel pursuant to the federal government's Environmental Assessment and Review Process (EARP).

Officials of both the federal and Saskatchewan governmenents have successfully negotiated terms of reference for a joint federal/Saskatchewan Panel, which will ensure that the environmental, health, safety and socio-economic impacts of these developments will be fully evaluated.

I am confident that this review process will demonstrate that uranium mining can be conducted in a safe, and environmentally responsible manner. I am very pleased that the two levels of government have fully co-operated in initiating this joint review process.

As you are aware, Mr. Speaker, Canada exports uranium only to those countries that have made a commitment to the international community that they will not use the uranium, or its byproducts, for nuclear

explosive purposes, and have signed a bilateral agreement with Canada to that effect.

The government of Canada remains firmly convinced that the non-proliferation precautions that have been put in place make it possible for canada to contribute effectively to the peaceful uses of nuclear power and the resulting worldwide benefits, while ensuring that no diversion for weapons purposes occurs. Canada's safeguards are among the most stringent in the world, and the government of Canada believes that the sale of uranium from Canada contributes to our national non-proliferation objectives.

Mr. Speaker, the emerging awareness of the advantages of nuclear power bodes well for its future, and in turn for Canada's uranium producing industry.

In August 1988, Canada's Parliamentary Standing Committee on Energy, Mines and Resources released a report entitled *Nuclear Energy—Unmasking the Mystery*. In its report, the Committee stated its position very clearly, and I quote:

> "Maintaining the nuclear power option is vital to Canada's interests, as it is vital to the interests of society in general. There is a compelling case to be made in support of continued nuclear development, a case based upon the future inadequacy of conventional petroleum resources and upon the environmental degradation arising from burning coal in progressively greater quantities for electricity generation."

Mr. Speaker, it may be of interest to the Honourable Member for Winnipeg-Transcona to know that a November 1988 poll by Decima Research showed that eight out of ten Canadians feel that nuclear energy is a good or realistic choice for large-scale generation of electricity and that it will be an important future source of energy. This poll also revealed that six out of ten Canadians favoured nuclear energy as one of the ways to generate electricity.

• (1800)

So, in closing, Mr. Speaker, I will remind the hon. member for Winnipeg Transcona of the importance of the Canadian uranium and nuclear industry as both a reliable and clean source of energy for the future. Although well-intentioned, the proposed bill makes no sense in the national and global context and should therefore not be passed.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, at the outset I would request that I be first on at the next sitting of the House on this particular bill.

We as Canadians have a great habit of creating something that is great for Canada and for the world, as we have with the Candu reactor and with nuclear energy. Over 50 per cent of the energy used in the province of Ontario is from nuclear energy.

As soon as we do this, there are Canadians who come forward and they want to destroy what other Canadians have created that is useful to this nation and to our competitiveness in the international market itself.

One of the great things we have going for us in this country is that we have energy. Nuclear energy is one of the cheaper forms. We would be paying about 20 per cent more for our hydro bills today if we had to pay from sources other than nuclear.

Take for example the Avro Arrow aircraft. We did that, and we destroyed it. We have to go outside our own country to find people who have confidence in our Canadian industry, in our Canadian creativity, in our Canadian scientific community.

When the Challenger space shuttle blew up in the air, they realized that it was the O ring that had caused it, that had let go. Immediately, the Americans and the international market realized that Canadians had the O ring in their Candu reactor and they never had an accident.

Let us talk about safety here. All this fear campaign about a great energy source we have in this country has got to stop. I would love a debate on it. I will fight for it any day of the week because it is one of the greatest creations of Canada.

Do not throw fear around about Chernobyl. The Russians built their energy plant first and their safety systems were non-existent. They did not build them until after the accident. In Canada, we build our safety systems first, and they are built to protect us from human error. That is why they are there. We go from there, and we put our nuclear reactor in place last of all.

I just want to give a simple example of some of the fear campaign that is going on, if I may. Daughter number one comes home and she says to her mother: "Mother, I have two offers of a job for the summer. I can work at the Darlington nuclear plant or I can work in the restaurant

atop the CN Tower in Toronto". And mother says: "Oh, my goodness, I think you should go to the CN Tower restaurant", not knowing that that daughter working in the CN Tower restaurant in Toronto will get twice as much radiation as she will while working at the Darlington nuclear plant. Why? Because the safety devices are built into the Darlington nuclear plant, and the higher you go the more radiation you get. So wherever you go in Toronto, you will get more radiation in the CN Tower than any other place in Toronto.

Thank you, Mr. Speaker, I will continue my debate later.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Corbeil that Bill C-11, an act to amend the Railway Act (grain and flour subsidies), be read the third time and passed.

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am very pleased to conclude my remarks. We were talking about the importance of the elevator at Halifax, which is the only facility available for storage of milling wheat in that area.

The government will demonstrate a support for the Atlantic livestock and flour milling industries by taking a leadership role in ensuring the Halifax elevator remains open. We are committed to ensuring that does happen. The government has examined various options to this effect, including the proposed equalization assistance contained in the Grains 2000 report. The government is monitoring the situation in Halifax and, if needed, is prepared to act quickly to ensure that the elevator facility continues to play an important role in the agrifood industry. The government is prepared to offer the Saint John elevator the same level of assistance as any program assistance offered to Halifax.

A number of other initiatives have been undertaken by the government to serve the interests of the Atlantic agrifood sector. Various initiatives have been put in place to help the region move toward self-sufficiency in feed grain production. We know how important it is to develop feed grain production there.

On December 14, 1989, the government announced the $6 million special Atlantic livestock initiative to provide temporary support to the Atlantic hog, beef, and sheep sectors over a period of three years.

Feed freight assistance rates were also recalculated in 1989 to take into account the storage component at the Halifax elevator. The feed freight assistance provides a fair equalization of feed grain prices with adjacent feed grain deficit areas. This is one of the programs being reviewed as part of the over-all agricultural policy review process.

Feed freight assistance has also been included in the over-all review of agriculture transportation policies being conducted as part of *Growing Together*, the agriculture policy review.

When the federal and provincial agriculture ministers met in Prince Albert, Saskatchewan, in August 1989, they agreed to a review of transportation policies. They decided then that the feed freight assistance, the Western Grain Transportation Act, and minimum compensatory rates on canola products should be reviewed in the light of changing economic and market conditions. The discussion paper *Growing Together* highlighted four pillars of reform to guide this review. The pillars include market responsiveness, increased self-reliance, a recognition of regional diversity with a national approach, and environmental sustainability. These are all very important areas.

The transportation committee of the policy review examined options for changes in the implications of such options. It presented its report to the federal-provincial agriculture ministers' meeting in Moncton in August 1990.

Subsequently, federal and provincial officials prepared a framework paper on options for using the funds currently spent on feed freight assistance and the Western Grain Transportation Act. This paper was presented to ministers in Winnipeg in November and is issued along with the committee's report as a basis for consultations.

Agriculture Canada has worked very hard to put in place a grains and oil seeds safety net program that will help farmers throughout the country, including those in the Atlantic provinces. This program has two components, the Gross Revenue Insurance Plan, or GRIP, and the Net Income Stabilization Account, or NISA. Together they provide farmers with predictable stabilization. This is probably the most comprehensive legislation that agriculture has ever had the opportunity of having in history. It is a very major piece of legislation and we feel it is a good process. The producers and stakeholders were all involved in developing that program and we feel it will be of great benefit and offer the predictability that is necessary for the long-term viability of agriculture.

Agriculture Canada is also taking a very active part in an industry-government review of the Atlantic Livestock Feed Strategy. A task group led by the Atlantic Farmers Council is examining all our programs to ensure that they contribute most effectively to the development of the Atlantic livestock sector. The task group is expected to submit a preliminary report for consideration by the federal and provincial agriculture ministers when they meet in Kananaskis in July of this year.

• (1810)

In conclusion, I would like to re-emphasize that this government has not forgotten the needs of agriculture producers in Atlantic Canada or, as a matter of fact, in any part of this great country.

We have been working with the provinces and with farm groups to develop new programs to better serve the industry.

We need to re-examine old programs that have been in place for years if we are going to achieve this. If we find the programs have outlived their usefulness, as At and East clearly has, we must take steps in the best interests of the industry and the country to adapt or remove them so that both farmers and the government can get better value for their money.

I was very pleased just a short time ago when there was an agreement in this House to see debate conclude on Friday and get on with this important piece of legislation.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I want to thank the parliamentary secretary, who is very sincerely interested in agriculture, for his contribution. I was very glad that he mentioned in his remarks the study commissioned by the minister of grains and seeds, et cetera, et cetera, which is known, I understand, as the Grains 2000 Atlantic Port Study.

I know the parliamentary secretary himself is a very successful farmer, I think in a different area of grains. I do not know if it is all in peas or not, but it is in different ingredients. What I was hoping the parliamentary secretary might say and my question to him at this stage is this: he has read, I presume, the report of the Grains 2000 Atlantic Port Study. Is he aware that the report says that unless some more export grain is channelled through that elevator, it is jeopardized.

As a farmer in his own professional life, can he see Atlantic members involved with their farm constituencies sit idly by and let a subsidy program that has been here as long as the Crowsnest Pass—not quite because that was in 1966 and it was J. F. Pickersgill, I was in the House when he mentioned why this At and East was there to enhance the delivery of grain through the ports of Halifax and Saint John.

Forget about Saint John. It is gone and it is not fighting it, although it has lost the jobs. However, as a farmer, and not necessarily as the parliamentary secretary, if he had to put his produce into an elevator, that a 25-person steering committee that he is aware of, which is the Grains 2000 Study, said that unless it gets help it is dead and gone, would he sit idly by and let our government put this bill through without any real debate and without what we have talked about for two and a half to three years, admitting there are differences in trade patterns now, admitting there are differences in so many things in the world but admitting one thing that the parliamentary secretary did not admit, that for two and a half to three years the Departments of Agriculture, Transport, seeds, et cetera, et cetera, regional development have been trying to come up with a package to offset the loss of this $28 million to $40 million subsidy which in terms of seed money, as other people have said here today, produced more income, more taxes and less unemployment insur-

ance and less welfare than the cancellation of this policy?

Would the parliamentary secretary sit idly by? What is his answer to my constituents who are the farmers in the Annapolis Valley who have listened for three or four years in good faith, waiting for offsets or some program to help take care of the cancellation. We all realize that subsidies in abstract are distorting, but they also are life-giving in certain situations. What is his answer to these farmers of my riding and to other good Canadians in Atlantic Canada if the recommendations of the Grains 2000 are not implemented? As I think the parliamentary secretary knows, there has not been one tittle of concrete movement or one concrete commitment to help fill the vacuum with the loss of the subsidy and put in some offsets. So what answer does the parliamentary secretary have to that?

Mr. Cardiff: Mr. Speaker, my hon. colleague is asking me to speak as the parliamentary secretary and he is also asking me to speak as a farmer. I love to speak as both whenever I get the opportunity.

The hon. member has indicated the loss of $28 million to $42 million in the Atlantic region on the At and East program. I want to remind the hon. members that the majority of that money was used in central Canada as well as in the Atlantic region. To say that total loss took place in the Atlantic region is not correct because it happened in Ontario, and it also affected the farmers in my riding.

We do have elevators to ship out of and to receive there and we do have an inland terminal at Goderich which is quite capable of fully loading ocean vessels to full seaway depth.

An hon. member: And with navigation.

Mr. Cardiff: Yes, all those things are possible. We are also committed to spending tax dollars wisely and fairly. We have indicated that we will support the Halifax elevator every way we can and we are committed to doing that. We have offered the same options to the Saint John facility if it wishes to take up some of this.

We also want to support the livestock and feed grains industry in the Atlantic region. Further development of the production of grains there is very, very important because that is job creation as well and can probably produce, with the new varieties that are being promoted today, all kinds of opportunities in the Atlantic region for new grains and some oilseeds to be grown in those areas.

We are committed as well to working with agriculture to do that.

As I said, there are the two programs: the Atlantic Livestock Feed Initiative and the Special Atlantic Livestock Initiatives Program. We hope that we can and will continue to support agriculture across Canada, particularly in the Atlantic region.

Mr. Nowlan: Madam Speaker, if someone else wanted to ask a question, I would appreciate the parliamentary secretary's answer.

I was here when J.W. Pickersgill gave a statement of why the whole At and East was there. When I get on, recognized by the Speaker later on in my speech, I am not going to give him too many facts and figures about the job loss and all that. It has been covered well by those who have spoken here on the debate today, but this is such a symbolic thing that I can tell you that in terms of Atlantic Canada, this is the cut of the Gordian knot to the producers close to the land.

I have a fundamental philosophy: the closer to the land you are the more basic you are, the closer you get to the cities and the concrete canyons and that is life, things become more difficult and more artificial.

An hon. member: Take it easy, Pat.

Mr. Nowlan: I appreciate that. I do not want to get personal. That is not my speech yet.

The parliamentary secretary, the member from Calgary Southwest, is a nice, interesting young man who has got a computer mind and an interesting competent ability, but when he led off this debate he said: "The bill now before the House seeks to eliminate a subsidy which has outlived its original purpose and has become a burden on the public purse." I want to ask the parliamentary secretary what the distinction is between the At and East subsidy and the Western Grain Transportation subsidy?

Mr. Cardiff: Madam Speaker, I suppose they could be similar in certain ways, but we have to recognize that the markets we are supplying have changed considerably since this bill was put into place in 1967 and we recognize that.

• (1820)

In the first part of my speech, I gave the figures of what grain exports were to Europe at that time.

As the hon. member knows, since then we have developed major grain markets in Asia, China and in other parts. Because of other components that have come into this, the Export Enhancement Program of the United States and the programs of the European countries, many of those countries that were net importers of wheat now are exporters of wheat. All those things have changed. We have to find the best possible means of exporting our product. We have to compete in the world with what we are selling and we have to move it to a position of loading for shipment in the most economical way possible.

I believe we are being responsible in what we are doing in responding to that. I know for a fact that the withdrawal of the At and East program does not affect the people and the producers in the province of Ontario to the extent that it does in the Atlantic regions. As I said before, we are going to work with those people, with the provincial governments and with the producers to make sure that they are compensated in some way that we can work with them so that they will have a viable and good future in agriculture.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I appreciate the opportunity to discuss in some detail the bill before the House, Bill C-11, an act to amend the Railway Act, insofar as it applies to grains and flour subsidies.

I must confess that I am a little bit amazed to be speaking in this House again on this very bill. At one time in the last session it died on the Order Paper.

I was sitting in my home in Thunder Bay watching television, watching the very capable and eloquent delivery on the folly of this bill by my colleague and good friend from Gander—Grand Falls. He expounded the history of the At and East bill from the development in this House in 1956 onward and it was very interesting to me.

The bill is brought on again with some surprise. I thought at one time that the government had reconsidered its position and decided not to bring forward this legislation in this session, but obviously without much luck. Here we are debating it at third reading.

There is a certain amount of offensiveness in the way this legislation is brought on. Two years ago the government first brought forward its plan to do away with the At and East rates and the effects of this legislation were immediately implemented by an Order in Council. What we are doing today is in effect debating a bill which has already been operative for the last two years. We are doing some housecleaning on behalf of the government in order to implement the proper legislation which already has been operative for the last two years.

I, like some of my colleagues, have only been here for two or three years, but it has always been my understanding that any legislation in order to be operative must be passed and debated in this House, and then implemented if it is passed. How the procedure can implement the workings of this bill to cut out those subsidies and then two years later bring before us the bill for debate leaves me somewhat dumbfounded with respect to the procedures within this House.

I am told by my colleagues who have been here for a long time that the implementation of this bill was done by an Order in Council and that is the way this government has been operating in this House since 1988. That along with the closure motions and so on has taken the responsibility of government away from the people and those of us who are elected to come here, hoping to do a job. What it has done has really been an administrative form of government without due respect and due regard to the parliamentary process. I take great exception in the way this is being done.

What I will do, since it has been implemented, is talk in some detail on some historical perspectives of the bill before the House, but as I stated it really does not matter because it has been effective for the last two years.

The subsidy in question was known as the At and East rates. It really means that from Buffalo in the east to the eastern coast, a program was in effect since the mid-1960s which maintained a fixed rate level for the movement of grain and flour via rail to eastern Canada mainly for export.

Because the rail rates at that time were frozen, the cost of moving this grain from all the ports in the southern part of the Great Lakes to other areas such as Halifax and Saint John was a subsidy which was paid to

the railways for the movement of this grain. It was a subsidy, as my colleague behind me stated in the Question Period, which amounted to $40 million.

On this side of the House, we are not going to say that $40 million is not a lot of money, but $40 million when you talk about the grain shipments in Canada and the subsidies given to grain shipments is not a great deal of money when you consider that we spend $3.5 billion in this country on the movement of grain and on the subsidies of grain.

The At and East program evolved in response to a 1959 rate reduction by U.S. railways for grain movement. Historically the purpose of the legislation was to be competitive in the eastern part of this country with the U.S. farmers who were also producing the same commodity and offering it for sale to the same customers to whom we were trying to sell this product.

Since that time, we have been exposed to the round of the General Agreement on Tariffs and Trade. We just cannot seem to come to grips with, or arrive at any solution or agreement in principle to, the subsidies offered to the producers of grain, not only in Canada and in the United States but offered also to our friends in the European Community.

Since that time, we have been faced with what is a common term in this House but which is growing in importance; what the Americans are doing under their Export Enhancement Program. The Export Enhancement Program as applied to the grains in this country is devastating our grain industry.

Speaking generally with respect to the growing of grain and the movement of grain, the system at one time served all Canadians very well. It served the grain producers, those who grew the product on their farms. It served the mills. It served the flour exporters, the shipping companies and the railways. It served the elevator workers in Thunder Bay, the area I represent, and in British Columbia and Prince Rupert.

I refer always to the same phrase we so often hear: the movement of grain in this country is 10 per cent protein and 90 per cent politics. In 1985, when this government took over, we saw a dwindling of the grain movement coming out of the west into the port of Thunder Bay and down to the St. Lawrence seaway where we at one time enjoyed over 50 per cent of that export market. It dwindled to less than 35 per cent.

The drought in 1988 and the Export Enhancement Program—I talked about how the grain industry is subsidized in the United States—put all grain producers in this country and those involved in the grain industry in a great deal of jeopardy.

The farmers themselves have been placed in some difficulty. The Parliamentary Secretary to the Prime Minister, and I do not want to embarrass him by these figures, at the agricultural committee this morning said that in 1983 the price of a bushel of grain was $5.80. These are the problems that we find in the grain industry today.

In 1983, the price of a bushel of grain was $5.80.

• (1830)

In 1991 the price of a bushel of grain is $2.75. It just so happens that in 1983 there was a different government, represented by this side of the House, when the price was $5.80. In the seven intervening years, through the mismanagement of the grain policies in this country, the price of a bushel of grain was dropped by almost half, to $2.75.

I think when we talk about the grain industry and the transportation of grain, all of the ports and all of the cities on the St. Lawrence seaway have been hampered by this problem that has been imposed by this government. All of the ports from Thunder Bay right through to Halifax, Saint John, down river ports beyond Montreal and east of Montreal have suffered because of this government's lack of concern and, I think, complete lack of knowledge of what the grain industry is all about.

The grain industry is not just a matter of growing grain and selling it. It is a very, very intricate business that relies on timing from the time it is harvested on the prairies to the time it hits the grain cars and from the grain cars to the boats. All of that must be integrated with the sale of the commodity to our friends, usually in the eastern countries of Europe. So it is a very complicated business that needs tremendous involvement and the involvement of a government which understands and empathizes with the problems, not only of the communities, but of the people who are involved with growing this product.

At one time our only competition was in the United States. However, now we see with the advent in 1992 of the European Common Market that that may be the greatest competition we are going to have in the grain business in the world. It will be coming not from the United States, but from the European Common Market, which has in place a subsidy that really causes a serious dilemma in the Canadian wheat business.

In addition to the dilemma of the farmers and the cities involved on the St. Lawrence seaway, in the last seven years, the shippers have been having a serious problem. I can remember when there were 160 to 170 bottoms or boats that would carry that grain from the port of Thunder Bay down to the down river ports beyond Montreal. Now we are down to something like 70 or 75 bottoms or ships that are available to carry that grain down. That number is lessening because we do not use it and we do not take this business and use it for the nine months of the year. What is happening is that those who are involved with shipping grain to the down river ports are saying they just cannot afford to operate those ships.

It is another dilemma we find ourselves in. I warn this government that we are going to have bumper crops in the future and we are going to have to export this grain and we are going to have to use the Great Lakes and the St. Lawrence seaway. Unfortunately, because of its actions, when it comes time to use that capacity of 22 million tonnes in Thunder Bay, and those boats that are on the Great Lakes and the St. Lawrence seaway, they will not be available. They will either have been sold to other countries or torn up for scrap. That magnificent facility that we have on the St. Lawrence seaway, starting from the port of Thunder Bay, will no longer be. It has been an operative organization for so many years. It is an organization that we will not be able to replace in this country. That is one of the dilemmas because of the transportation policies of this government.

One of the other areas that causes us problems is the glut of wheat on the market. We all know what has happened with the amount of grain that we have not been able to sell, or sometimes have had to sell at distressed prices brought on by the trade agreement, brought on by the lower prices for Canadian product. The low prices, again, cause such a dilemma for our Canadian producers.

The elevator workers in this country are in a terrible state. I just see on television—

Mr. Nowlan: A point of order, Madam Speaker.

I must say I have not done this for a long, long time, since I was in opposition, but I am now in this rarefied situation between government and opposition and I do not see a quorum in the House.

Also, I do not see a minister of the Crown in the House and that to me is one of the fundamental things we are dealing with, the Crown business, the taxpayer business, the pocketbooks of the Canadians and we do not have any—

Madam Deputy Speaker: Call in the members.

[*Translation*]

And the bells having rung:

Madam Deputy Speaker: The quorum has now been restored.

Mr. Ricard: Madam Speaker, on a point of order.

Madam Deputy Speaker: The hon. member for Laval–Ouest, on a point of order.

Mr. Ricard: Madam Speaker, this is the second time today members have asked for a quorum count. I have been here for seven years, and whenever a member has something interesting to say, he always has an audience. I wonder why some members rise in the House to ask for a quorum count, probably because they—

Madam Deputy Speaker: I don't think the hon. member would wish to comment in this way on the speeches of his colleagues. I think the best thing to do at this point is to resume debate with the hon. member for Annapolis Valley—Hants.

[*English*]

Mr. Nowlan: The same point of order. Just to elucidate for my hon. friend, it was not the man who was making the discourse who called the quorum. I must say I thought he was making such a good speech there should be other members in to hear him. I called the quorum.

Mr. Comuzzi: Madam Speaker, let me thank my colleague from Annapolis Valley, a former chairman of the transportation committee and a very fine chairman.

Getting back to the serious issue of the grain industry and the farming community of this country, what we are seeing is the over-all aspects of Canadian transportation and we see what happens to a country and to a government which operates without a policy on national transportation issues.

A country the size of Canada without a national transportation policy suffers and the farmers suffer and those involved in transportation suffer and the transportation industry suffers when there is no policy that we can follow. The country not only suffers, it bleeds and in some instances such as we are seeing today it haemorrhages and we cannot stop the haemorrhaging.

• (1840)

The legislation we have before us is just another example. Last week in this House we talked about another transportation issue that involved the Aeronautics Act and the changes in the piecemeal legislation, and two weeks ago the legislation was before this House with respect to airport transfer of power. Those are just some of the issues that have been hitting this side of the Chamber in piecemeal fashion.

Let us look at what has happened in this country since 1984, lacking the transportation policy it so vitally needs. Just this week in the Ottawa paper, there was a magnificent three-part article by Mark Kennedy, *Ten Steps to the Dryden Disaster*. One of the crucial areas there was the lack of regulation within this country, and it had a great part in the disaster. Look what happened right here in Ottawa in the last few weeks with respect to deregulation of the trucking industry. Look at what is happening to all of our seniors in this country because they cannot get on a passenger rail service and fulfil their desires to travel across and see this country because we do not have passenger rail service any longer.

Then there is the failure of this government to recognize the St. Lawrence seaway as a viable transportation route in Canada; the lack of the federal government to support a national transportation policy that uses national highways, to take an obligation to provide for the Trans-Canada Highway, which right now borders on disaster. This is what affects Canadians and it makes us wonder what Canada is all about. Without transportation this country has no unity, and without unity we have no Canada.

What this country needs and what I implore this government to do is develop a national transportation policy that will benefit farmers, shippers and all those who are so adversely affected by what we see happening here today.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I would like to ask my friend the hon. member for Thunder Bay—Nipigon, who was a very valuable and constructive member of the transportation committee, how he, as a member from central Canada, Thunder Bay, where a lot of these grain boats start, views the cancellation of admittedly a subsidy program that certainly benefited and was supposed to benefit the Atlantic Canadian ports, even though they are sometimes in competition with the Thunder Bay port.

Mr. Comuzzi: I thank my colleague from Annapolis Valley for that question. I will try to answer it as succinctly as possible. If we develop and operate under a national policy of transportation within this country, we must realize that we cannot just look at one area of the country and ask for its betterment at the expense of another area. When we develop and work by a policy, we have to look at Canada as a whole.

As I said, in the development of plans and procedures for the future that will take us into the 21st century with respect to rail transportation and the use of the St. Lawrence seaway, we should develop a policy that will enhance and ensure that the Great Lakes shipping fleets will stay in place and that we are able to utilize the benefits of the St. Lawrence seaway and the grain elevator systems.

I think of an article we had this past week in the Thunder Bay newspaper about Herbie Danaher, the business agent for all of the elevator workers. It gave his trials and tribulations as the business agent for that union and what he has had to do over the years. At one time we had 1,800 workers and now we have 800 workers on the waterfront. The article tells how he has had to cope with those problems and deal with those people who had such a knowledge of the shipment of grain.

Those are the areas that cause great concern to any member of Parliament that is involved in this very vital industry. We are not operating in a system; we are not

operating with an over-all plan that enhances all of the communities and all of the regions of this country.

Mr. Nowlan: Madam Speaker, I want to thank my hon. friend for that answer. He answered my next supplementary in part by talking about a national transportation system and trying to have a balanced plan enhancing all the different parts of the plan.

I would like again to ask my hon. friend to try to give his perspective to members of the government and to Canadians who may just happen to have stumbled upon this debate through television.

I know this member as a very fair individual, notwithstanding that he is from central Canada and we from the east sometimes feel central Canada tariff policies leave much to be desired. However, I am asking the member from Thunder Bay—Nipigon, in this balanced plan for transportation that I know he has worked for in the transportation committee, what his reaction is to an At and East subsidy that has varied between $28 million and $40 million? That is the variance over the period of years it has been in effect.

I would like to hear his reaction to the cancellation of that as well as the maintenance of the western grain transportation subsidy that helps farmers in the prairies get their grain to the western markets through the ports of Vancouver and/or Prince George, to the tune of $700 million or $800 million.

Does the hon. member for Thunder Bay—Nipigon feel that that is a type of situation that helps make Canadians in Atlantic Canada feel they are fairly treated?

Mr. Comuzzi: Madam Speaker, I thank my colleague from Annapolis Valley—Hants for that question. Not to correct him, but the Western Grain Transportation Act is an act that enhances and assists not only the shipment of grain to the west coast ports of Vancouver and Prince Rupert, but it also enhances and assists grain that is shipped in the summertime to Port Churchill in the northern part of Manitoba. It also subsidizes the movement of grain to the ports of Thunder Bay, but does not subsidize the movement of grain from the Thunder Bay port to the down river ports.

What we have here is an industry that the government subsidizes in some form by about $3.5 billion a year. I think what we have to do—I will go back to this policy that we have to develop—is take that $3.5 billion and spend it more wisely than we are doing. It must not be spent at the exclusion of areas and regions such as those represented by my friend. What we have to do is impress upon the people in this industry in Canada that we can no longer have the terrible unstable conditions on our waterfronts that I see developing in Thunder Bay, that I see developing today in Vancouver and Prince Rupert, that I see developing in Churchill.

• (1850)

With the kind of money that the taxpayer in this country is spending, in excess of $3.5 billion a year, what we should be able to do is assure those workers, who have dedicated their lives to this industry, that at least they would have some stability and security of employment so that they do not have to look at layoffs which may extend for 18 months. At the end of the 18 month period, even if they have been employed by Saskatchewan Wheat Pool or Manitoba Pool or Cargill or any of the others, they are no longer an employee of that company. It is just not fair and it applies to every region in this country.

We have to stabilize the labour force in those areas that are involved in the vital industry of grain, the growing of grain and the shipping of grain in Canada.

Mr. George Proud (Hillsborough): Madam Speaker, I rise to take part in the debate this evening on Bill C-11, an act to amend the Railway Act dealing with grains and flour subsidies. I rise after listening today to many knowledgeable orators in this area, such as the hon. members for Gander-Grand Falls, for Regina-Lumsden, Halifax West, Thunder Bay-Nipigon, and Annapolis Valley-Hants, who has been part of the question and comments and a former chairman of the transportation committee, and many others. It brings home to me, and hopefully brings home to others in this great institution, that the Government of Canada, whatever government that may be, is going to have to continue to play a role in the transportation industry in this country because we are too big a country and too diversified to let the transportation industry live by the free market system.

We see this in this very bill because the results of it are already in effect today. The subsidy part of the At and East program was eliminated in July 1989. This rail subsidy has helped Atlantic Canada become more competitive in the shipping of grain by way of its ports. Along

with all the other cuts to transfer payments and whatever, we are going to eliminate this financial arrangement.

The effects of this have already been felt, as seen in the case of the elevator in Saint John where jobs have been eliminated. If the Halifax elevator is forced to close, this will be another devastation to this part of the country.

I agree, and the Atlantic Provinces Transportation Commission agree, that the rates we are talking about are inefficient and distorting but I do not agree with the government's slash and burn approach to the problem. The subsidy should not be eliminated until the effects of such a move can be offset by other programs.

The termination of this subsidy, known as the At and East, will have serious economic consequences, as I have said, for the maritime ports; not only for them but for associated activities which depend on the movement of export grain and flour through these ports. Activities at the grain elevators, port employment and railway employment will be significantly affected.

The bill will also have a negative impact on flour milling and the movement of domestic feed grains in the Atlantic region.

The importance of maintaining elevators such as the one at Halifax cannot be overstated. It is a viable operation, critical to the entire economy of the Atlantic region. As well as the activity generated by the movement of export grain through the facility, the elevator also plays a vital role in the storage and handling of domestic feed grain and milling wheat. The local poultry and egg industries and, to a lesser extent, the beef industry will be seriously affected should the Halifax elevator be unable to remain in operation.

In addition, the Halifax elevator is utilized as the only means of storage for milling wheat by the only Atlantic region flour mill.

The use of the Halifax elevator for domestic feed grains represents the only competitive alternative to the use of railways as a means of obtaining the required feed ingredients for the local livestock and poultry industry. The use of light vessels to Halifax with truck delivery beyond is the only competition facing the railways for the movement of domestic feed.

When will the government realize this? When will the government halt this brutal affront to the economy of Atlantic Canada?

As I said before about the local livestock and poultry industries, the maritimes are faced with a tremendous disadvantage in terms of feed costs versus the competition in Quebec and Ontario. Once again, the government is giving the predominant provinces priority while ignoring the Atlantic region.

This was discussed by the member for Thunder Bay–Nipigon and the member for Annapolis Valley–Hants. This is another way of playing the regions off against one another. We talk about unity in this country. As long as we play one part of the country off against the other we will not have the unity that is so greatly desired by most people in this country.

I say to the government that we must stop this. When other means are put in place and the regions of the country are able to stand on their own two feet, when the regions—whether the Atlantic region, the western region or the northern region of this country—are able to realize a standard of living that is equivalent to the other larger provinces then I believe that we are on the road to having greater Canadian unity among our people. It is not just a language problem.

The shipment of export flour through the port of Halifax also contributes significantly to employment of this port. It plays an important role for the railways in positioning boxcars in the maritimes for domestic use. Another issue that has arisen in the last couple of weeks concerns the containers moving out of the Halifax port because the railways cannot afford to move them.

The cars utilized for shipment of export flour to Halifax are then repositioned within the maritimes for the shipment of domestic cargoes. As I have been saying, the At and East program has a significant impact on the Atlantic region and particularly the Halifax–Saint John area.

Through programs over the last normal year almost 90 per cent of the total tonnage moved was exported through Atlantic ports. Export grain moving under the program represented at that time almost 100 per cent of the volume handled at the Saint John elevator and 60 per cent of the volume handled at the Halifax elevator. The discontinuation of the program already has and will

continue to have serious repercussions on the economic depression of the maritimes.

According to the Atlantic Provinces Transportation Commission, $14.5 million in economic activity has been lost in the region as a direct result of this government's strategies. The elimination of the At and East rail freight rates hurts not only workers whose jobs depend on the busy ports and righst-of-way but the Atlantic agricultural sector as well.

Already local livestock and poultry industries face a major disadvantage versus the central Canadian producers in terms of feed costs.

Prince Edward Island produces only 80 per cent of the feed grain it needs to supply the needs of its livestock and poultry industry. New Brunswick produces only 35 to 40 per cent of its requirement and Nova Scotia produces only 20 per cent. The maritime provinces depend heavily on grain shipped from western and central Canada.

Higher costs from these grains, which will certainly result from higher transportation costs, will cripple these industries, causing a further decline in the economic activity and employment in this region. The potential exists for further economic harm to Atlantic Canada should the grain elevator at Halifax be unable to continue operation.

As has been expressed by the member for Halifax West earlier in the day, we must take steps to ensure that further negative economic consequences for the Atlantic region be avoided.

• (1900)

This government must support Atlantic Canada on this issue. This government must support the directives to which they were elected, and it must stop ignoring the pleas of Atlantic Canada.

Again, I hate to repeat this, but this is just another emphasis on shutting down Atlantic Canada, shutting down rural Canada, pitting one part of this country against the other.

In closing, I want to say that the At and East Program may be outdated, but it is this government's responsibility to help the affected industries, whether they are western and central Canadian grain producers, railway workers, Atlantic livestock producers or eastern ports. It must do something to protect them during the transition period and beyond.

Hon. Ralph Ferguson (Lambton—Middlesex): I would just like to ask the member if in fact the cutting of the At and East Program was a direct result of the free trade agreement where it was agreed to cut subsidies. Of course, this cut came in the budget of 1989 when there was almost $400 million cut in various farm programs: crop insurance cut by $200 million, the At and East by $60 million, Rail Branch Rehabilitation Program by $48 million, grain and crop advance payments by $54 million, dairy exports by $12 million, commodity-based loans by $15 million and the Canadian Dairy Commission by $10 million.

Do you feel that the government was very naive when it made all these cuts because it is obvious the Americans have not cut theirs? Because they have not cut theirs, and our program has already been slashed, the program is in the process of being removed, or it has already been discontinued, will the Americans fill that market to the detriment of the Canadian producers?

Mr. Proud: I want to thank my colleague for his questions. A simple answer: yes, I believe this has happened. We have known that the subsidy has been a dirty word around here for some time. Subsidies to the agriculture sector, to the transportation sector, are being eliminated almost daily, as a result, yes, of the free trade agreement and as a result, also, of our neighbour to the south putting pressure on the people involved in the GATT negotiations. This is something that has been ongoing for a number of years. The elimination of this and the subsidies still being paid in the United States shows that we have got ahead of ourselves and probably are shooting ourselves in the foot by doing this.

Certainly the agriculture community and the transportation community in this country, as I said a few minutes ago, needs subsidies, it needs to be helped to keep this country strong and great. With the elimination of this particular subsidy, we will see the transportation of these goods through other parts south of us in the United States.

Yes, I believe that this is a direct result of the free trade agreement because in the negotiations, and after the signing of this agreement, it was stated that our subsidies on grains and farm commodities, on shipping

and on transportation must be eliminated or we could not participate in this free trade agreement.

I think we have come out second best on this deal. I believe we must go back to the table now, when they are negotiating another deal, and renegotiate these things that were mentioned in the first place by the Macdonald commission, that there were certain of these things that should be negotiated and protected for us in Canada.

I say that this has not been done, but we had better look seriously at it or we will not not only have manufacturing left in Canada, but our agriculture products will all be supplied to us from south of the border.

Mr. Iain Angus (Thunder Bay—Atikokan): Thank you, Madam Speaker. You almost look surprised that I was up on debate on a bill. Perhaps it has been so long.

I would like to say at the outset that I am not pleased to debate Bill C-11. I am not pleased because of what it does to Atlantic Canada, Quebec, Ontario, and to the prairie provinces. But it is an example of how this Conservative government does not understand Canada and why it exists as a separate country north of the United States and how it functions.

I want to work my way through that argument during my time debating this bill tonight.

This bill, which is the elimination of financial assistance to move grain and flour from one part of Canada to another will leave it to the market system, to free enterprise. It is because subsidies distort the picture, because they are no longer needed, the government says. They have outlived their usefulness.

Well, tell that to the 5,000 or so men and women, and their families, whose jobs have outlived their usefulness, thanks to the elimination two years ago of the At and East rail subsidy.

We are a country that basically built itself north of the 49th parallel in a very narrow band of people from sea to sea, with scattered settlements elsewhere up toward our other sea. Our connection is east-west, yet the normal draws in the market economy would dictate that the raw materials, in this case grain, would travel from where they are harvested to where the largest number of people are, or where export position is.

On this continent that draw is southward, to where we have a neighbour which has a population ten times our size. The economies of scale work to put pressure on that, and it is only through interventions of governments, Conservative, Liberal in the past, that has enabled us to remain separate.

We now have a Conservative government that has decided that the marketplace is something it is more concerned about than the survival of this country. It has been slowly cutting off the ties that have held this country together.

It is no irony that the same month this subsidy ended, half of the rail passenger services in this country were eliminated, a devastating blow to Atlantic Canada.

It is no surprise that a year and a half to two years into the subsidy having been removed, that we now see other freight components of the services to Atlantic Canada being undermined. The railroads are extremely worried about their competition from American rail. The port of Halifax is worried that those containers that have been coming by rail to Atlantic Canada, to Halifax, will now go by rail to New York, because of the kind of rate cutting that is happening down there, both on rail and in terms of the ports. They have already seen container traffic that originally was destined for Halifax to be picked up by foreign vessels relocated to Montreal. They are seeing rail lines removed, they are seeing their air system totally restructured in Atlantic Canada, to the point where you cannot go anywhere unless you go through Halifax. That is a boon to Halifax but it doesn't say much to a lot of the other communities which used to have a higher level of service to other parts of Canada.

So, Madam Speaker, I suggest that the elimination of the At and East subsidy is just yet another symptom of a major disease that has struck this country and it is called Conservatism and it is the implementation of the right-wing agenda.

But it hasn't just hurt Atlantic Canada. By and large, most of the grain and the flour that goes to Atlantic Canada under the At and East program goes by rail. Only one-third of that is going to Halifax by marine.

• (1910)

It is the rail workers in Quebec who have lost their jobs because of this move, the workers who maintain the trains, who operate them, the communities which service the trains and service the employees by providing goods and services.

In Ontario it is two-fold. Let me change that, it is three-fold. It is the rail jobs, the elevator jobs and the shipworker jobs, the men and women who ply the Great Lakes and the St. Lawrence seaway who have seen yet another decline in the amount of grain available to them to move. That grain has not been redirected through another east-west link. It just does not move. That is why we have seen Ontario elevators shut down. That is why we have seen elevators in Atlantic Canada shut down.

One of the elevators in Ontario is now being considered as a storage space for used tires. Used tires in a grain elevator, can you believe that? That is their only hope for any kind of economic assistance, storing somebody's garbage in their grain elevator. Even the rats will be out of work because they will not have the feed to live on.

When my colleague the member for Regina—Lumsden was talking, he made reference to the fact that there was an estimate of 5,000 jobs being lost. Well, the annual subsidy is around $32 million a year.

Mr. Benjamin: Average.

Mr. Angus: I worked it out. The average subsidy is $32 million a year. Do you know what that works out to? It is $6,300 per worker.

I think I heard in this House not too long ago that one of the impacts or the realities of some of the offshore development in Atlantic Canada was a cost per job of $190,000. Here, to save money we are cutting out $6,300 per existing job. They have to pay more in income tax, they being those 5,000 men and women. They put more back into the economy than they take out through the At and East subsidy. It does not make sense. This At and East subsidy was an investment in the future of Atlantic Canada and in the men and women who work in Atlantic Canada, Quebec, Ontario and on the prairies. This is dumb economics. It is the Conservatives who do not know how to run a country, let alone a corner store.

Bob Rae invests in people. He does not worry about the folks on Bay Street. He knows how to work on behalf of the people of Ontario and he will continue to do a damned good job, I want to tell you.

An hon. member: Ask all the people who are in the construction business if they want to support this.

Mr. Angus: Madam Speaker, I think I have caught their attention.

Mr. Benjamin: For all the good that will do.

An hon. member: They are sensitive. Very sensitive.

Mr. Angus: Let us take a look at some of the specifics in this bill.

We are talking about 944,000 tonnes of grain and flour moved in 1988. About 90 per cent went to the ports of Halifax and Saint John. According to the Halifax-Dartmouth Port Development Commission: "The economics of grain traffic at the port in 1988 amounted to $25.9 million in revenues and 263 jobs, while flour traffic resulted in $28.4 million in revenue and 220 jobs". So there are nearly 500 direct jobs in the Halifax—Dartmouth area alone. In Saint John, the port corporation says that the movement of bulk grain through its port in 1988, under the program, amounted to $8.5 million, along with 90 direct jobs. Collectively, they say that in addition to the 573 direct jobs in the two ports, another 250 indirect jobs may be lost as well, just in those two communities; that many jobs with one slice of a pen by the minister responsible for this program.

The livelihood of all those people plus all of the rail workers, the marine workers and the farmers who no longer have the ability to move or to sell their products, is on the hands of that minister.

One elevator has been closed, Saint John. We are also seeing effects on other areas. We are going to see higher freight rates for western Canada for the grains.

Let me just correct the record. The Saint John elevator is the one that is closed. Also, the transfer elevator at Port McNicoll, Ontario. I think that is in the riding of the former Minister of Transport, one of the many who have come and gone from this place under both Liberals and Conservatives, just another indication that neither party really understands the importance of transportation.

Neither party understands the importance of transportation because if they did, they would have left a minister in place long enough to learn the job. Having said that, the only one who came to the job with any knowledge was the first Conservative Minister of Transport. Although we fundamentally disagreed with him on policy,

at least he knew what he was talking about when he got into the ministry.

The livestock industry, the feed mills, the meat packing plants and the dairies are going to be hit by the decision of this government.

The estimate is that rail rates for domestic feed grains will go up by at least $10 a tonne. The livestock industry in the maritimes depends on grain from Ontario and western Canada, and if the transport costs do go up by that $10 a tonne, it is estimated that 5,000 jobs will be lost in the livestock industry, feed mills, meat packing plants and dairies. This is 20 per cent of the total employed in this industry and related industries in Atlantic Canada and that is from the Executive Director of the Atlantic Farmers' Council, Keith Russell.

The elevators keep closing. We have two in Midland. We have one in Port McNicoll and one in Prescott. Two of those are in the former Ministers of Transport's riding.

Ontario flour mills have lost export contracts and require lower wheat prices to compete with Quebec mills for CIDA contracts. At the same time, Ontario farmers are already receiving record low prices and cannot afford to see prices drop.

For the Ontario Wheat Marketing Board, the At and East allowed it the flexibility to store wheat longer before shipping it which allowed it to get a better price. The elimination of the At and East Program forced the storage facilities in Georgian Bay to close and made shipping wheat to maritime ports during the winter more expensive.

I want to touch on another point. The existence of the At and East provided some flexibility for the Port of Thunder Bay. As you know, Thunder Bay is closed in terms of the marine side for two to three months each winter. It varies, but somewhere between the middle of December and the middle of January we shut down and we are open again when the ice goes.

During the late fall after the Welland Canal closes, we can still move grain by water to the bay ports and store it there for inclusion in the At and East. That allows more grain to come off the prairies during the winter months and to fill up the elevators in Thunder Bay, while at the same time providing for the possibility of a winter rail program.

By eliminating the At and East Program and by eliminating those elevators which I talked about in the Great Lakes, we have lost some more flexibility.

In addition, thanks to this policy and the lack of concrete action by this government dealing with the inequities of the Western Grain Transportation Act, we have seen hull after hull after hull either flagged out to be used elsewhere in the world instead of the Great Lakes or cut up for scrap so that our Great lakes fleet has lost the ability to move a bumper crop for this country.

Decisions like this put forward because of a desire to conform to market economics have really undermined a part of the fabric of this country: our ability to grow excellent grains, the best in the world on our prairies, and get them to markets, through our eastern ports or through our western or northern ports. It is one more knife in the coffin of the grain industry in this country.

• (1920)

I say to you that the government has made a fundamental mistake, both in philosophy and in terms of practice. This has got to be changed and it will be changed by another government because it is too important to leave in the hands of the market.

Madam Speaker, I thank you for your indulgence. I want to conclude by saying that I am not happy to be speaking on this bill. I do not think it should be before us and that is why we will be voting against it.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, like other members who have participated in this debate, I have fundamental mixed emotions for a variety of reasons. I am not going to waste much of my limited time tonight to talk about those reasons. I am going to come down to the basics of the bill.

The bill is now C-11. It used to be C-26. The hon. member for Thunder Bay—Atikokan, who gave a very constructive contribution to the debate and is also one of the more active, constructive members of the transporta-

tion committee of which I had the honour at one time to be the chairman, knows fully the ramifications of the bill as does his colleague for Thunder Bay—Nipigon, another member of the transport committee. He gave a very balanced approach. I did not agree obviously with the full extension of some of the thoughts, but I understand why he and his House leader and others who have spoken initially have said they were not happy to speak because this bill, as the hon. member for Regina—Lumsden said earlier, which is absolutely right, is that this is a retroactive bill that is putting into law what a budget did back in 1989.

Mr. Speaker, I do not know what law school you went to, but I know you went to a venerable one and I certainly went to an honourable one. One of the most invidious, odious pieces of legislation was a retroactive piece of legislation that was put into law after the event and changed the rules half way through midstream.

On retroactivity, this bill should never have been before the House, I am not going to waste much time on the procedural aspect of the mutation, the interesting parliamentary mutation from an aberration of prorogation, when things were dead; but of course aberration and abortions are not to be treated lightly here. Prorogation used to mean that everything was cut off at the pass. If you did not get the legislation through, it died on the Order Paper.

This, Mr. Speaker, as you and I well know, was a great motivational inspiration to make some deals. As you got into June, July or August, as I used to sit here in the earlier days of my tenure, the George McIlraiths, the Davie Fultons and men who understood Parliament got together and said: "Hey, we have debated this too darn long". That was of course before television which even makes it longer now because it cuts through to the core and cuts through to the sham. Even Carol Burnett could not stay longer than 10 years, and yet a lot of these debates seem to go on 10 years. But unfortunately—and I say it sadly—my former colleagues in the government, all of whom are honourable souls, have an Achilles' heel and that is the fact that they do not understand the parliamentary process.

I could go on to a whole speech on that. I am not even going to mention the Prime Minister who never had any parliamentary experience before he came here. That could be part of the problem too.

Some of us earned our spurs in the trenches and did not come from the corporate boardrooms to the cabinet room. I say that is part of the problem of this parliamentary system. That is part of the parliamentary system and the problem that we have today as, Mr. Speaker, you and I well know.

We talk about the mother of battles and we talk about that horrible charade that we just went through in the Persian Gulf. I will not get into that tonight. But we have at least something serene, something stable, something basic, and that is the Mother of Parliaments that we are all supposed to have taken something from and/or adopted and adapted to our own particular geographic, historical and traditional and/or social mores and ways.

One of the basics of Parliament was that at a prorogation the Order Paper was dead. Government, get your house in order and renegotiate the new bills because something happened in the last session and they did not get through.

With that invidious notice of motion given approval by the Speaker I have to say sadly, Mr. Speaker,—I am almost prepared to predict that the slippery slope of the present Chair is going to be defined by his ruling on that invidious notice of motion—that with one stroke of the pen, Mandrake the Magician resurrected five dead bills that were in voodoo land.

With a little parliamentary imprimatur and the persuasion of the government House leader, they came to life again. The resurrection of Lazarus was never more supreme than those five bills that came out of that invidious notice of motion.

That is what we are dealing with here tonight. We have one of them on our platter. It should have been through negotiation. It could have been done through consent.

Perhaps this bill need not have taken the time it is taking in Parliament now because I agree with some of the comments, from the members opposite, especially those of my friend from Halifax West. I better not touch him too much because this gets too close to home.

I agree that the *de facto* input of subsidy under the At and East, Bill C-26 which is now Bill C-11, has been dead since July 16, 1989. Of course, as the hon. member for Regina-Lumsden said, once you cut out the subsidy, then it is kind of silly to talk about shipments of grain to the east.

I never thought I would ever be doing this in my life, but I happen to be sitting here in the opposition. That is part of the problem of this House. There are a lot of government members who never sat in opposition. They forgot from whence they came.

I agree with some of the comments made by my former colleagues who have spoken tonight. We cannot attune hypocrisy to any one individual, but the generic term applies to the hypocrisy in opposition. You say: "A, B, C and D," and then you get in government and it is "X, Y, Z".

You know something, Mr. Speaker, the fellow called Preston Manning is down the hill in a place called the Civic Centre. I am told by my colleague from Beaver River that there are 2,000 people there tonight to hear the new messiah on the political field. He has a lot of things to say.

One of the things he has to say is that this institution which used to be the highest court of the land should no longer be the biggest hypocrite forum in the land. With television we can no longer get away with saying one thing in opposition and then getting in government and doing just the opposite. That has happened so often.

In fact, there is an interesting contribution of the member for Burin—St. George's in quoting—I see the Minister of Grains and Oilseeds here; he is a very good friend of mine—the remarks of the present Deputy Prime Minister in his contribution to the debate on the At and East when he was in opposition. He said nothing different than I am saying tonight because what he said then was true. What I am saying tonight is true.

• (1930)

Coming to the reality of this debate, it was the then Minister of Transport who then set up—I think he said this under the National Transportation Act debate, and I happened to be a member in 1966— the transportation commission and he became the first chairman of the National Transportation Agency, which was an interesting thing to do in those days. Now Eric Nielsen is, so things haven't changed that much.

However, Mr. Pickersgill said many things. I am going to cut through all the wheat and the chaff, even though this is what this bill is about, because my friends on the opposite side who say it is dead, it is over, it is history, they forget the history from whence they came. The whole reason for the At and East was that little part of Canada which is trying to sustain itself. Mr. Pickersgill, my adversary at the time, was a lowly backbencher. I was about three rows up here to the right, so I have really come full circle. I watched him in the front row make his inimitable speech. I won't get into the mannerisms that he sometimes used, but the important thing he said about At and East is that it "was to ensure that we will have rates which will provide some inducement and incentive to shippers to use the facilities of the Atlantic ports". There are many more things he said.

When I hear friends of mine opposite say that the At and East is history because the *de facto* implementation under cabinet order was July 16, 1989, I start to ask myself the question: "Is the elevator left in Halifax history?" That is the crux of this debate.

I cannot think of another individual item that affects Atlantic Canada so adversely, even though no one understands it, as the cutting of the At and East. In fact, I believe that in the proverbial bowels of the bureaucracy some bureaucrat was picking at bottom line reduction in spending and said to a confrere: "We have got to cut certain moneys out and we've got to cut certain payments out. What's this At and East?" Quite understandably I can almost believe that he could not have got an explanation. Someone looking at this escalating subsidy of $28 to $40 million—and that's approximate because it changed from year to year, but between $28 and $40 million—could easily say: "Hey, in our deficit reduction program let's slice this down".

Madam Speaker, do you know what we found out when the bureaucrats came before the transportation committee? I think my hon. friend from Thunder Bay–Atikokan was there and my hon. friend from Thunder Bay–Nipigon was there, as well as other members. We had officials from the Departments of Finance and Transport and whatever. I almost have the name of one, but I am not in the habit of mentioning names of public servants when they cannot defend themselves, but this is all a matter of the public record. In effect, we found out through the hearings of the transport committee on the At and East two years ago that someone inferred—now I am paraphrasing but I could get the absolute minute of the transport evidence to support what I am about to

say—that: "Whoops, we slipped. We cut out the subsidy and now because of GATT and the international implications of a subsidy for export, we cannot reimpose it".

That is one of the messages received by the transport committee that had some hearings on this issue.

Madam Speaker, I don't know how much more time I have. Can you give me a little hand signal? Good—five minutes, that is great.

I am glad to see the minister here because I have a very real respect for the minister. I know he is anguished over this. However, Mr. Minister, do you really believe the statement of your parliamentary secretary, the computer whiz from Calgary Southeast, with a great competent mind but no heart and no compassion? He hasn't learned compassion. The Reform Party is like a wildfire in Alberta because a lot of competent members do a good job mechanically but they do not have any compassion for the people. If the parliamentary secretary was a member from Atlantic Canada he could not have made the speech he made to lead off this debate on Thursday, June 6. His first sentence was: "Mr. Speaker, the bill now before the House seeks to eliminate a subsidy which has outlived its original purpose and has become a burden on the public purse".

I ask the parliamentary secretary to stand up in this House, this open forum, to admit that the Western Grain Transportation Act is a subsidy for grain movement which distorts the market and has outlived its usefulness. I do not think the parliamentary secretary even understood the beginnings of the At and East, as illustrated with the quote I gave from Mr. Pickersgill, then Minister of Transport, that it was there for a very designated purpose. The hon. member for Regina–Lumsden and others have said that, in terms of the stupidity of eliminating this subsidy, it is more than offset with the cost to the government in increased welfare, in increased unemployment insurance payments, and the loss of the economic activity and the tax that could have been raised by that economic activity. We know the jobs are lost. The Saint John elevator is gone. We are not even trying to resurrect it.

The misleading thing about this debate that makes me most irritated of all is that when everyone talks about cutting out the old history no one mentions what the minister did then. It was this minister in the House tonight, I think, who was responsible for setting up the Grains 2000 port study. The minister received the report in November 1990 and it was finally released to the public in February 1991. Let us not say what that young little youthful computer parliamentary secretary from Calgary Southeast said: "Well, we are going to monitor the situation", and I quote from page 1289 of *Hansard*:

> And if needed, the government is prepared to ensure that the Halifax elevator remains in operation for the benefit of the Atlantic livestock and flour milling industries.

What the heck does the young computer member for Calgary Southeast and the Parliamentary Secretary to the Minister of Agriculture think the Grains 2000 ports study said? It said that unless there is help, unless export grain is enhanced, that elevator goes down the drain the same as the elevator in Saint John goes down the drain. When that elevator goes down the drain, we cannot resurrect it. It is the same fallacy as Preston Manning, coming back to Reform, says: "Hey, we do not want Quebec unless Quebec says it is in". When do you ever have a divorce and then ask to get the terms of living? I could put that another way but in effect it is the same for this elevator.

An hon. member: Kill it off.

Mr. Nowlan: You do not have the elevator killed off and then suggest that a munificent government—we know there is not that much money around—is going to resurrect it. I mentioned the resurrection of Lazarus earlier, but it is not going to happen to a sterile elevator when world trade has gone by. Of course, the Parliamentary Secretary to the Minister of Agriculture is right about trade changes in the movement of grain. However, what he did not say is that we have already lost sales to some of our traditional customers because the At and East subsidy is not there. That helps to distort the trade of grain.

I do not know if the minister is going to contribute before this debate ends but the Grains 2000 report, and I give him credit for setting it up, says, as he knows from his bureaucrats, and my point and every Atlantic Canadian members' point has to be that you cannot support Bill C–11 unless there is something more than the wistful thinking of the Parliamentary Secretary to the

Minister of Transport, who says: "Well, we will monitor, and if the need arises we may do A, B, C and D".

I was the chairman of the transport committee for two or three years or more—that is a past date and I do not mind trading on it at all—and we had hearings on this issue and tried to use the lever of not passing the bill to get the bureaucracy to come up with something called "set-offs".

An hon. member: Offsets.

Mr. Nowlan: Offsets. The same thing, but twisted around. It had the same impact.

An hon. member: Spin-offs.

• (1940)

Mr. Nowlan: Spinoffs, offsets, setoffs, we have had three years of discussion and there is nothing except this wistful pious hope that, if needed, we may be prepared to ensure that the elevator may stay for the benefit of the agriculture industry, of the flour industry, of jobs.

If this was a bill castrating the Western Grain Transportation Act, there is not a member in the western caucus even of a government who would have allowed this to come this far. My sadness is that there are not more Atlantic Canadian members up here in this House of Commons on all sides in a collective issue that has no partisan stripe, or should not have, but it is going to have unless members exercise. I know good members try within the government caucus to get the offsets, but there are no offsets today. We then waited and marked time until we heard the grain study report.

I appreciate, Madam Speaker, you have been very kind and generous, more so than usual, but I understand that because I know my time is just about up on this particular situation. I am not going to trespass further.

I really say that, without anything firm in offsets, we have talked for three years in the House and the committee, delegations, the Atlantic Transportation Commission, suggesting certain proposals that have not been accepted. In fact, in talking to the Atlantic Transportation Commission today, there have been letters from the Atlantic Farmers' Council of May 31, the Canadian Feed Industry, the Co-op Atlantic of May 17 and Maritime Advisory Council on June 3, others who have written to the minister asking: "what are you going to do with the offset program?"

What do they get? They get a slap on the face, no answer to the letters, but this bill on the floor of the House. I conclude with this. One of my colleagues on the opposite side of the House, who is a friend of mine says that it is all history. It does not matter because it was all dead because, in effect, July 16, payments stopped and the railways did not do it. If it was dead, why—

Madam Deputy Speaker: I must interrupt the hon. member. My dear mother used to say: "Use, but do not abuse", unless there is unanimous consent of the House. Questions or comments?

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I listened with interest to the intervention in this debate of my colleague, the member for Annapolis Valley—Hants. Perhaps we should have let him talk a little bit more on the transport committee. He makes eminent sense in his opposition to this bill.

I wonder whether the member would care to react to the following statement. If we are to survive as a nation, if we are to ensure that the items that we export, particularly grain products like wheat, like flour, if we should as a country be neutralizing transport. In other words, it should not cost anything to get it to our ports so that once we get there, then the marketplace, the international marketplace, would begin to click in. In that way, there would be no internal distortions in terms of east-west direction, and we would ensure that the value added could be accomplished throughout the country rather than just at key points. I wonder if he would care to comment on that.

Mr. Nowlan: Madam Speaker, I think if I understand my hon. friend's question, it is a nice leading question and I would agree with that. That is in effect what the At and East was trying to do.

He mentioned the country. We all can make compassionate speeches on the country. I cannot emphasize enough that in Atlantic Canada, even though people do not understand it, those who do—and they are the farmers, they are the producers, they are the people in the marine and the transportation industry—this is a cut of the Gordian, another slice of the Gordian knot that keeps us all together.

As we have all said here in this debate, it was relatively peanuts when you put the $28 million to $40 million to little old Atlantic Canada against the $700 million or $800 million for western grain transportation. I know there are some different factors there, but still you have the subsidy. You cut off one and you leave the other. Yet the governments says it is going to review it, and yes, it may, the same as it is going to review the survival of the Halifax elevator. I am telling you, in Atlantic Canada, I have not felt so badly for a long time because of the fact that this does tear away.

It comes right down to Joe Citizen. You could look at this tomorrow in the newspaper and say: "Good God, what is going on in Ottawa? Have they really lost their minds or has the summer season really taken over".

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I would like to ask my good friend from Annapolis Valley—Hants whether he would care to comment on a matter in terms of equalizing opportunity between Atlantic Canada, Quebec, Ontario, St. Lawrence and Great Lakes ports, the matter of ice-breaking. You do not have to break ice in Halifax and Saint John.

I and my colleagues are not complaining that the taxpayer pays for the cost of ice-breaking. We are not too worried about that. That is a natural hazard that Canada and the Canadian government takes into account. We do our best to help out the people in those areas, in those industries to get ice-breaking.

Does my hon. friend have any estimate as to whether or not the ice-breaking services in Quebec, in Montreal, in the upper St. Lawrence and the Great Lakes, exceed the costs of the At and East rates?

Mr. Nowlan: Madam Speaker, my hon. friend from Regina—Lumsden has asked a beautiful question. I must say that in all the debate I have been involved with over several years, I frankly do not know the answer. I do not know the answer in terms of offsets, whether the cost of one in effect the offsets price of another. The same, frankly, as I do not know really the offset of removing the payment for the subsidy to the railways—which employed people—and yes, it was not the most efficient way to move grain. Most people do not understand that the Atlantic Provinces Transportation Commission for several years suggested different modes and different ways to move that grain.

It is a good question. This is something that, frankly, I think government should have done. What is that thing called in Washington, the office of financial management or budget control? That is a question that I think deserves an answer, and I agree. I am not against the ports of Montreal, Quebec and the St. Lawrence, but those are extra costs that you do not have when you go to Halifax, which is one of the world's great open, natural all-year ports.

The other thing they do not have is the offset of cutting the subsidy: How much because of the loss of jobs—and other people have touched on this—the increase in unemployment insurance, the increased welfare, the loss of tax dollars from depreciated economic activity? I would say that on both counts, in terms of the offset of navigational aids and the ice-breaking work, that that would be very close to the subsidy we pay to Atlantic ports.

Mr. Benjamin: It is a lot more.

Mr. Pat Nowlan (Annapolis Valley—Hants): Or more. Well, we all can play with figures, depending on how you start to calculate the base calculations.

Second, and I think almost as important, the absolute cut in the subsidy is not a net benefit to the government. It is going to be a net deficit to the government.

Mr. Maurice Foster (Algoma): Madam Speaker, I am glad to have a chance to say a few words on Bill C-11, the At and East rate bill. I want to compliment the hon. member for Annapolis Valley—Hants because—

Madam Deputy Speaker: Before the hon. member gets into his comments, may I assume that the hon. member is splitting the 20 minute period with another member? It will make it easier for the Chair to advise the hon. member.

• (1950)

Mr. Foster: Madam Speaker, I assume we may have to get unanimous consent for each of us to get 40 minutes but we will try our best.

The bill that is before the House tonight is Bill C-11, which replaces the old Bill C-26, and I believe that the

debate tonight is really about the government bringing back a bill at third reading without unanimous consent.

There is a very fundamental aspect about this whole debate that is fundamental to the survival of Atlantic Canada. I think the hon. member for Annapolis Valley—Hants brings to this debate two valuable perspectives. One, he has been a distinguished chairman of the transport committee for many years so he has been through all the briefs and presentations by grain producers, shippers and so on, but also, he comes from one of prime agriculture areas of Nova Scotia. His perspective is, perhaps, very well founded. He really touches the kernel of what we have to do in this country if we want to have a broadly-based agriculture industry that is diversified.

During the free trade debate our caucus had public hearings in Fredericton and we heard presentations mostly opposing the free trade deal, but some were relatively in favour of it. The statement which really caught my idea of how devastating the free trade deal would be to Atlantic Canada, to much of Ontario, and to many other parts of Canada; was the comment by somebody after a long afternoon and all kinds of presentations when it was said that if you want to see what free trade can do for New Brunswick, go across the border into Maine and see what free trade has done for Maine. They have had free trade with the rest of the United States for 50 years, 100 years.

When you stop and think about agriculture in Atlantic Canada, they have their specialties like potatoes in New Brunswick and Prince Edward Island and those commodities. They have a special climate and soil base and all the rest of it. They also have a dairy industry which they do not have much of in Maine. They have a pork industry which they do not have much of in Maine. Yet, they have the same resource base generally.

Look at companies like Irving, and McCain's, especially, which was a world-wide food processing industry started in New Brunswick. They do not have any McCain's company that has a world-wide base in Maine that I know of. That is because we have organized our agriculture on the basis that we want medium-sized units, very efficient, and we want to produce milk and cheese and these other commodities of the dairy industry all over the country.

If you go to the United States, you can go to Wisconsin, Minnesota, Florida, or California. Those are the main dairy producing areas. Our concept, which the Tories are rapidly trying to destroy, and God help them if they serve for another two and a half years, they will have gone a long way towards doing that, is based on trying to have a broadly diverse industry through the use of marketing boards, supply management, and marketing mechanisms like that. To some extent the Wheat Board is another mechanism which tries to diversify and help the industry.

The debate tonight is not so much about whether the At and East rate will be effectively killed, as the hon. member for Annapolis Valley—Hants said. It was effectively killed on July 16, 1989, when payment of the subsidy was stopped. There are a lot of people in this House, including the hon. member who just spoke who has a stake in his constituency, who want to see this kind of agriculture continue in this country.

The Tories are hell bent on another scheme of market economy. They think they will solve all the problems. It will be a disaster. It will be a disaster for Canada because the kind of diversified agriculture we see in New Brunswick, Nova Scotia and Prince Edward Island will be destroyed, if we destroy those special instruments we have put in place, including the At and East rate.

It has already been described that it is going to cost our agriculture producers down there some $21 a tonne for their feed grains. It may not sound like very much, until you talk to hog producers in Prince Edward Island, as we did a couple of weeks ago when we visited there with the hon. member for Prince Edward—Hastings. They are teetering as to whether they are making a go of it or not.

Removing this subsidy, throwing the whole marketing board system into question, may not show up in the big macro-economics of the country, but it has a profound influence on the individual producers. Hundreds and thousands of those individual producers making a go of it with a medium-sized, very efficient operation is what gives rural Canada the vitality we want to maintain.

I am surprised when I hear and see columns by one of the Tory members for Halifax where he says: "We do not need these subsidies down here. We will make it on our

own". That is one aspect of the whole agriculture side of it.

Then there are the industrial jobs. Already the Saint John terminal has closed, throwing 55 people from the maritimes out of work, a very substantial number of people in that community. The Halifax terminal may eventually close. It involves another 27 jobs I am told and, perhaps, several hundred if one considers the stevedores and the rail people and so on. Therefore, there is a very, very profound impact of the At and East rate.

What we were trying to do when this was put in place, was to try to balance the cost of shipping from Buffalo to the Atlantic ports, which are two or three times more than the cost of shipping and the distance involved from Buffalo to New York City.

This is an important debate because it talks about the viability of Atlantic Canada, the viability of our agriculture industry, the diversification of our economy and it is very important that the government not be able to get away lightly with removing support programs to our most vital industry, the agriculture industry.

Madam Deputy Speaker: Questions or comments. There is a five minute question period. The second part of the 20-minute debate, the hon. member for Cape Breton—East Richmond.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I wish to make three points with regard to this debate on Bill C-11.

The first point deals with the procedural aspects, the second with the substance of the bill itself and third, the measure of fairness or, indeed, lack of fairness with regard to the bill.

The hon. member for Annapolis Valley—Hants made reference in his remarks to the fact that this was a previous bill known as Bill C-26. Thereafter, the bill had been reinstated by a government omnibus motion, which made members of my party express great frustration and anger that the government would attempt to reinstate a bill which was basically, in procedural terms, dead on the Order Paper as a result of the government's decision to prorogue the House.

• (2000)

Many members in our caucus have spoken out against this particular bill, some with great emotion, all based on factual information provided to us by various interest groups in our respective regions, whether we come from the west or from the Atlantic region.

I think it can be said that most members of Parliament on this side of the House, and I can only speak for those in my caucus and in the Liberal Party, disagree wholeheartedly with the government on the measure to reinstate the bill. In doing so, we do not just do it for political gains.

I just want to review the substance of that bill. It implements an April 1989 budget decision to eliminate what is commonly referred to as the At and East rates effective July 15, 1989. That was almost two years ago. These At and East rates are really specified under section 272 of the Railway Act. Under this section of the Railway Act, shippers in Atlantic Canada for instance paid 1960 rail rates for export of grain and 1966 rates for export of flour. Those rates have not been frozen at the levels they were at on those two dates.

The Government of Canada subsidizes the balance of these rates to amounts of between $20 million and $40 million or so in recent years. Perhaps a more precise figure is about $37.3 million for the fiscal year 1988-89. That is the substance of Bill C-26 and now Bill C-11. It is a subsidy. It is a subsidy paid by the Government of Canada to individuals who happen to reside in the regions of our country.

I see across the way the minister who has some responsibility for regional economic development in this country. I have to ask myself why a government would, at this time with the economic situation being the way it is, want to rid itself of this particular subsidy affecting primarily a smaller region in this country. Thirty-two million dollars to the Government of Canada is not a large expenditure in terms of its total expenditures.

The third point that I had raised at the beginning of my remarks, because I know I have limited time, is the fairness. We subsidize western grain transportation. I think it has been referred to as $700 million or $800 million, whereas in the Atlantic it is roughly $32 million. I have not heard any member on this side of the House, in the years in which I have been elected to this Parliament, question the authenticity, the need and the

importance which the subsidy for western grain transportation does for that region of the country.

I think most members, if not all, would support and support enthusiastically that kind of subsidy to that region of the country. The reason why is because it is just, it is appropriate and it is fair.

What we find particularly disturbing in Atlantic Canada is there is $700 million and $32 million.

I ask the Chair, where is the fairness? The fact of the matter is, there is no fairness. This is a deliberate act to inflict economic pain on those of us who happen to reside in Atlantic Canada. If it were otherwise, it would not proceed.

We have heard the catch-all phrases: "We are going to review the prospects of trying to save the grain elevators in the port of Halifax. We are going to review that at some point in the future". That is a code word which this government has used time and time again to do nothing. For those of us who have been the victims of this government's policy in Atlantic Canada, we are disheartened to learn that a $32 million subsidy is being cut off when a $700 million plus subsidy for another region of the country is going to proceed.

When I say $32 million, what do I mean by that? I said $32 million, $37.3 million, $30 million and $40 million, average it off if you will. The economic impact of the termination of the At and East program for grain elevators in dollars is $3,735,000. The flour mill in Halifax is $3,200,000. It includes wages and benefits paid by flour mills at Halifax and also goods and services purchased.

With regard to the grain elevators, it includes wages and benefits paid to elevator employees at Saint John and Halifax, and also goods and services purchased by elevators.

The additional cost of livestock and poultry feed is $18 million on an annual basis. This has been calculated with the Atlantic Provinces Transportation Commission, using tonnage of feed grain handled under the Livestock Feed Program of Canada and rail freight rates, which in the absence of the Halifax elevator, would apply in lieu of present water compelled rail rates.

Local grain production, $950,000; port and railway employment, $8,280,000 adding up to approximately, on a yearly basis, anywhere between $32 and $37.3 million. That is the extent of the subsidy and that is where it goes.

For those of us in Atlantic Canada, we just call out, not for a special rate or a preferential rate but just for due process, fairness and some semblance of dignity for the people who live in that particular region. It is no wonder that residents of Atlantic Canada say: "Hey, we have to re-examine those national institutions which impact so negatively on our economy and on our people".

In closing, let me put this brief amendment on the record. I move:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> Bill C-11, an Act to amend the Railway Act (grain and flour subsidies), be not now read a third time but that it be read a third time this day six months hence.

Some hon. members: Hear, hear.

Madam Deputy Speaker: I would like to ask the permission of the House to keep it under advisement for a few minutes. We will continue debate and then I will come back and put the motion to the House once I am sure it is in order.

Questions or comments.

• (2010)

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I would like to put a question to the hon. member from Cape Breton who gave such an excellent speech and who moved a very appropriate amendment.

The amendment really is saying to the Government of Canada that the people of Atlantic Canada have had enough. I want to ask the hon. member this question: how does the hon. member see this decision by the Government of Canada in ending the subsidy for the movement of grain and flour into eastern Canada which is now being replaced by imports of heavily subsidized grain from the EEC?

How does he think this fits into the general attitude of this Government of Canada toward his part of the country, especially as it relates to this bill which deals with the railway?

Mr. Dingwall: Madam Speaker, first of all I want to thank my colleague from Gander—Grand Falls for such an intelligent, thought provoking question at this hour of the evening.

Succinctly put, I think the measure the government has put before us tonight ought to be addressed from a number of perspectives. Specifically, with regard to the question as raised by the hon. member who has now brought to the attention of the House that there will be large quantities of imports from the European Economic Community, I think it fits quite nicely with the government's over-all economic thrust, which is clearly the following.

We have a large geographical map of Canada. We have a small population base dispersed over this large geographical mass. We are going to deny the role of the national government in terms of bringing people and geography together with regard to our transportation system.

The government does not want to be involved in that any more. It wants to let the so-called free market enterprise operate, but the fact and the truth of the matter is that when it says that and when you check the record of where this particular quantity of goods will come from, it is being massively subsidized by the foreign country that is exporting into Canada.

That has been the economic philosophy and thesis of this government; to deny Canadians in the poorer regions of this country an opportunity to place their trust and their faith in other regions and in other people throughout Canada domestically and hinge their bet on some foreign power whether it be Third World, the European Economic Community or our economic neighbours to the south.

In response to the hon. member, I find it rather frightful that we in Canada as national legislators would allow this kind of behaviour and conduct to continue. We know, because of fact after fact, that we as Canadians are being robbed of our economic livelihood domestically and creating a dependency, not domestically but internationally, on markets abroad and on foreign economies to provide Canadians and in this particular instance, Atlantic Canadians, with a product which is both reasonably priced and appropriate under the circumstances.

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

After discussions with the Clerk, the amendment standing in the name of the hon. member Cape Breton—East Richmond is in order.

We will now resume debate.

All speeches are of 10 minutes and there are no periods for questions and comments. The hon. member for Gander—Grand Falls.

I think we are having a marvellous round of *après vous, Gaston* except that no one is called *Gaston*.

The hon. member for Gander—Grand Falls had been recognized and so that he does not lose his place he should have the floor. The hon. member for Gander—Grand Falls.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I was listening as the hon. House leader for Her Majesty's Loyal Opposition was speaking and moved this motion. He represents an area of our country called Cape Breton Island. Thinking about the railway, it was not that long ago, it was in the last year, that the federal government decided that there would no longer be rail passenger service from the riding of the hon. member who moved this motion, extending right down to Truro, Nova Scotia.

The trans-Canada link of CN ended. Passenger service from coast to coast ended because there was no longer a connection from Newfoundland to British Columbia. It ended. It stopped with that decision in the past year involving Cape Breton Island.

Just think of it. The federal government subsidizes a bus operation in Newfoundland. When you get on the bus and go to the ferry boat in Port-aux-Basques, if that bus does not make that ferry boat, you have to spend the night in Port-aux-Basques. If the ferry boat does not meet Acadia Bus Lines in North Sydney, you have to spend another night in North Sydney, and if the private bus company does not meet the train in Truro, Nova Scotia, you have to spend another night there. You can see what change has taken place in the past year. That is why I support the motion put forward by the opposition House leader.

When you think about it, it is rather interesting. The presence of the federal government in rural areas like Cape Breton Island and Newfoundland has practically disappeared. The post offices are being closed one after the other. That job is gone to that community, never again to be returned. Never again will you see a flag pole with a Canadian flag on it in a lot of these small

communities because that was the one building that had it.

No more will you see a train move down the track, because CN has closed and laid off the people. There have been great plans to give them pensions and the golden handshake, but the jobs are gone and the federal presence is gone.

The federal presence on land with your trains and with your post office, which was usually the one place you could identify the federal government, is gone.

• (2020)

Then by air. Air Canada, a Crown corporation, was cut back and no longer do you have that presence in the rural areas. You have air traffic controllers today in New Brunswick, Nova Scotia and Newfoundland. In the name of saving person-years, the Government of Canada embarked on a policy of hiring Americans. Bring them up on contracts to work in Toronto in our air traffic control centres so that they would not count as federal employees. I think that is what was behind it, because we have young Canadians today who are anxious to get into air traffic control, very highly paid positions in the federal government, perhaps some of the highest.

Last year, we were hiring Americans on contract. Now we have a bill before the House to move the airports to local authorities. Federal employees again will completely disappear from some communities in this country, never again to be treated as federal public servants, but as employees of a corporation operating an airport.

Some of us received letters lately. I received one today, and I went back over my files to discover that back in 1989 I had received a similar letter talking about the rumour of closing the Burnt Point lighthouse. This fellow says: "We have no meaningful land mass between us and the European and African continents and many times in years past the fact that contact could be made to the lighthouse keeper by means of a citizen's band radio has meant the probable difference between being rescued or lost."

Today the contract has been awarded to close the Burnt Point lighthouse in Newfoundland and to close another 11 lighthouses. The cost to the federal treasury is $1 million apiece. One million dollars to do away with one person-year which is absolutely necessary. There are another 22 being closed. The contracts are going. I will put it on the record that a member from the Government of Canada, from St. John's East, interfered politically and got a lighthouse in Belle Island, Newfoundland, lifted from the list. A political interference by the member for St. John's East on behalf of politics.

We have the Government of Canada saying to us in eastern Canada that we are not even allowed in Coast Guard again to use our ice-breakers. They are tied up. You see the new policy is that you tie it up. There are seven tied up today in Quebec City. Five are tied up in Dartmouth, Nova Scotia. There are another two tied up for engine repairs in St. John's, Newfoundland. Meanwhile, there is ice everywhere around the coast up there. The policy is: "Well, you know, we are looking at the Arctic transportation system and when one of those large ships gets stuck, we are going to send up an ice-breaker from Dartmouth, Nova Scotia, up to Greenland." To save money. It is cheaper to tie them up than it is to have them operating.

That is the policy of the federal government. No matter where you look, it has had a small presence in Atlantic Canada. That is why the six-month hoist is so important. We must put an end to this bill which stops the subsidy on the movement of grain into eastern Canada. It is another point in a long list of actions by the Government of Canada which has seen the removal of federal presence in the air, on the land and on the sea. The House here today should vote with the hon. member, the House leader for the Official Opposition, in the motion to put a six-month hoist on this bill. Every member of the government who votes for it will be congratulated in the next election.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, this is not a debate that I am pleased to take part in. In fact, I have already spoken twice on the At and East legislation, the first time on February 12, 1990.

At that time I pointed out that there were 400,000 to 500,000 tonnes of wheat sent under the At and East regulations by the Canadian Wheat Board. The Ontario Wheat Board alone moved between 150,000 to 200,000 tonnes under this legislation on an annual basis.

I want to commend our opposition House leader for his amendment. I recall placing a similar amendment back on June 5, 1990, to delay the implementation of this legislation until 1995.

Had the government listened to what we were saying, not only in the Official Opposition, but listened to what the witnesses in front of the legislative committee dealing with this piece of legislation were saying, it would have realized that it was making a grievous error.

When it looked at the Grains 2000 study of November 1990—and a delay such as we proposed at that time would have allowed it to take a look at the impact of this—it would have realized the error of its ways and withdrawn this legislation and put Atlantic Canada back on a competitive basis in terms of its livestock and poultry industries and saved all those jobs connected to the flour mills and the elevators in Atlantic Canada.

This government moves very, very slowly. I recall April 12, 1989, when we asked the government to do something about the no-rolled beef that was coming into Canada at the time, a million pounds a week. Since that was tabled at that time, those imports have tripled. As a result we have six packing plants that have closed in Ontario since that time. This low-grade beef has devastated the beef industry in eastern Canada.

Finally, the former Minister of Agriculture acknowledged the crisis and told the Canadian Cattlemen's Association that he has instructed his officials to require that United States beef, whether graded or ungraded, be identified as such to consumers.

Two years and two months after the problem was drawn to his attention, the government is finally going to look and see what is going on.

I have to suggest tonight that I strongly suspect that I had some of this cheap ungraded imported United States beef in the cafeteria in the Confederation Building at lunch time, tough as nails. It stays with you. You have to chew on it for a long time.

When this government cut back this subsidy, as I mentioned earlier tonight, I suspect part of the reason was that it was trying to do away with subsidies to adhere to the provisions of the Free Trade Agreement. It thought that this is a transportation subsidy, it would be a good one to do away with. The government completely ignored the fact that the maintenance of the Mississippi waterway is done by the United States Department of Defense. That, in effect, is a subsidy to the United States grain industry.

Let us examine the other subsidies the U.S. is giving. I will use one as an example, the Export Enhancement Program. For the year 1989 it was $777 million, in 1990 it was $556 million, and in 1991 it was $900 million, a total of $5,033 million since it was first introduced in May 1985.

This government is very naive to have entered into such an agreement without having the United States lower its subsidies at the same time as ours are being lowered.

• (2030)

It is kind of amusing that this government stands idly by and does not do anything about these subsidies. In fact, there is a provision in the free trade agreement to call for consultations if the other country keeps its subsidies. There is also a provision to ask for compensation. The government has done neither. Instead, it has opened up the borders to United States grain and grain products. We all know what is going to happen in Atlantic Canada when those subsidies on United States grain look so attractive to the grain buyers. That market will not be supplied by Canadian grains, it will be supplied by grains from other countries.

One of the interesting things I found the other day was that one of the very major grain companies in North America, American-based, has really taken advantage of these subsidies, both coming and going. It uses the export enhancement subsidy to transport grain out of the United States. Then, in turn, it took a subsidy from the European Common Market to transport barley—that is the original product it exported—from Sweden back into the United States. It has it both coming and going and this government sits idly by and cuts back our transportation subsidies, which were put in place in 1966 in order to ensure an adequate supply of grain to Atlantic Canada when the seaway is frozen up, grain that would travel by rail from western Canada or from Ontario into the areas of Atlantic Canada where it is used, or from where it is exported.

I also have to take this government to task and ask it to retaliate concerning another issue that has been brought to my attention just these last few days. The Chicago Board of Trade has passed a resolution just recently to ensure that its Export Enhancement Programs only handle American product. Therefore, this resolution would not allow those companies to buy Canadian grains because they might turn around and export them.

This is another abrogation of the free trade agreement, if this government stands idly by and lets this happen. Our Ontario soybean industry is hit hard, as the United States is the largest export market, with 70,000 tonnes shipped this year.

With what is happening here, in terms of the pressures that are being brought to bear on the Canadian producers, there were over 70 food processing plants closed in Canada last year, 32 of those in the province of Ontario. I know the minister likes to brag about the 50 new plants that have opened. However, I should remind him that on the list his department gave to me one of those plants was in Arizona, an irradiation plant, and another one in Butte, Montana, a canola-crushing plant. Those are hardly Canadian plants. Two were water-bottling plants, some were warehouses, some were plants that had previously closed and reopened.

The fact of the matter is that the food processing industry in Canada is hard pressed. By removing the At and East subsidy, by opening up the borders to American wheat, flour and other products that market will be lost to Canadian producers, who produce the highest quality grain in the world as efficiently as any of our counterparts in the United States. The government has failed to recognize that their input costs, input costs that are under direct control in many instances—I speak here of interest rates and fuel costs—have placed them out of competition.

I ask this government to reconsider the error of its ways and reinstate this legislation which is so badly needed in Canada at this time.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, Atlantic Canadians are wondering what it is that the federal government has against them. We have seen a relentless attack on Atlantic Canada and we have seen nothing to assist the fishing industry, which we all know is in a crisis and has been for some time. We have seen unemployment insurance cuts having a drastic impact on the region and cuts to transfer payments to the provinces making it ever more difficult for the provincial governments in that region to fund health care and post-secondary education. We have seen cuts to VIA Rail which have had a major impact on the ability of people within the region to move about that region. We have seen the closing of post offices. We have seen a major attack on the region of Atlantic Canada and, as I say, Atlantic Canadians are wondering why this is. What is it that the federal government has against them?

At this time all these things took place when Atlantic Canadians were and are suffering from severe economic conditions and totally unacceptable levels of unemployment.

The situation in Atlantic Canada is indicative, of course, of decades of neglect by successive federal governments and by provincial governments which refused to take matters in hand.

Last weekend, some 1,200 New Democrats were in Halifax for our annual convention, and I have had many opportunities also to visit Atlantic Canada on other occasions. What Atlantic Canadians are saying is that they have had enough of these policies which attack them, which undermine their ability to create jobs and to function in Canada as a viable region.

They demand some attention to their legitimate concerns from the federal government, and surely they have a right for the federal government to pay attention to those demands.

Coming from a province like Saskatchewan, it is easy for me to understand the concern and the anger that exists in Atlantic Canada. In fact, all of the regions of this country have been neglected by the government's obsession with its free enterprise market-driven agenda. This bill that we have before us now, Bill C-11, which will cut a further $35-or-so million from the Atlantic Canadian economy is another example of this government's obsession with market oriented policy, and in this particular case with transportation policy.

The reason for the subsidy which amounts to about $35 million was, first of all, to assist Canadian Atlantic ports in competing with American ports. But it was also

designed to ensure that there would be some inducement and incentive to shippers to use the facilities in Atlantic ports. Indeed that was one of the reasons stated by the Minister of Transport at the time for the introduction of the subsidy. In other words, the At and East rates were intended to enable the ports of Halifax and Saint John to compete with Montreal and the other St. Lawrence River ports.

Serious economic consequences flowed and are flowing from the termination of the At and East rates. Activities such as grain elevator operations, port and railway employment, flour milling and the movement of domestic feed grains, have already suffered as a result of the termination of the rates. Virtually all of the export grain tonnage via Saint John and a large portion of that via Halifax moves under the At and East rates. While it of course creates distortions in the transportation marketplace as a result of the subsidy, nonetheless it has given those ports an opportunity to provide employment and to provide economic activity in their regions.

It is not that people have ignored the government's concerns with regard to this transportation policy. Indeed, the Atlantic Provinces Transportation Commission recommended some alterations, some changes in the policy which would go some way toward responding to the government's concerns while protecting the ports of Halifax and Saint John.

The Atlantic Provinces Transportation Commission proposed to reduce the demand on the federal treasury by lessening or eliminating any distortions or inefficiencies. They also proposed to maintain the movement of export grain and flour through these Atlantic ports to maintain the commercial viability of those two ports of Halifax and Saint John. They proposed that the frozen rates to the St. Lawrence ports be allowed to rise to a compensatory level and be held at a compensatory level on an annual basis by the National Transportation Agency, and that rates to the ports of Halifax and Saint John be set at a fixed differential above those rates to maintain the current competitive relationship between the St. Lawrence ports and the Atlantic ports.

• (2040)

On the basis of fairly recent figures, the Atlantic Provinces Transportation Committee concluded that the adoption of this proposal would save the federal government approximately one-half of its total subsidy payments, but would nonetheless maintain the viability of those ports of Halifax and Saint John.

In response to these proposals, in response to the debate that is taking place; and in response to the concern about job losses in Atlantic Canada, the government has proposed this bill which, as I say, will cut $35 million from the economy of Atlantic Canada. Such is the means by which this government listens to Canadians and responds to Canadians' concerns.

We have already seen the impact of the removal of this subsidy. We have seen the elevator at Saint John close with a loss of 90 jobs. The elevator in Halifax is operating on a break-even point on a day-to-day basis and its future is clearly in doubt.

If the Halifax elevator closes, it is likely that the only flour mill in Atlantic Canada will also be forced to close. Without the Halifax elevator, shipping feed grains by lake vessel through the port of Halifax would no longer be possible. The likelihood is that rail rates would increase by anything up to $10 a tonne. The livestock industry in the maritimes, which depends upon grain from Ontario and western Canada, would also be adversely affected. Indeed, studies have suggested that if transport costs go up by $10 a tonne that 5,000 jobs will be lost in the livestock feed mills, meat packing plants and dairy industry. That is 20 per cent of the total employed in the livestock and related industries.

The closure of the Halifax grain elevator itself would result in a loss of some 480 jobs in Halifax and possibly another 250 indirect jobs lost as well. The closure of the flour mill which is so closely related to the grain elevator would result in another 45 jobs lost.

In other words, it is a major, major impact on the economy of a region which is already under severe, severe threat.

In addition, there would be implications in Ontario as well.

Well, enough is enough. Atlantic Canadians hold the federal government in the lowest esteem they have ever held it. I guess it is possible that support could go even lower down into single figures, but it is unlikely that Atlantic Canadians are going to forget this major attack on their economy.

What Atlantic Canadians are asking for and what every Canadian is asking for is a fair shake, a fair chance for their federal government to care about what happens to them, to help when times are tough and not to slash

programs which create jobs and which help keep jobs in the region.

At the NDP Convention last week, the party restated its commitment to the fishing industry, to fishing communities and to those working in the fishing industry, and became the first and only party in Canada to have a pro-active and comprehensive policy to support the shipbuilding industry. These are two critical industries to Atlantic Canada employing many, many people, industries which have received little or no support from this government. Once the ships that are presently being refitted in the Halifax yards are completed—there are three there which I visited last week—there will be no work for 1,400 people.

At the moment, the yard in Dartmouth employs 16 people when it could employ many, many hundreds.

Anyone who cares about fairness, anyone who cares about people having jobs and opportunities and feeding their families in Atlantic Canada and across this country would have to be opposed to this latest attack on Atlantic Canada.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to start by explaining to anybody who wonders why a member from Bonavista—Trinity—Conception is getting up to speak on the At and East bill.

There are a number of reasons for it. First of all, I am an Atlantic Canadian. Second, I am very concerned about the effects this will have on the Atlantic provinces. I am very concerned in particular about the effect it will have on the ports of Saint John and Halifax since I know both the ports and the cities very well. In fact, I lived in Halifax for probably one-third of my life. I also know the economic impact this will have on the Atlantic region and I want to make a comparison before I sit down on what it could mean compared to other things that could happen that would be considered as being disastrous.

Another reason I am very anxious to speak on this is because one of the architects of this bill was one of my predecessors. The hon. member for Annapolis Valley—Hants made reference to the hon. J. W. Pickersgill many times. Mr. Pickersgill still lives in the Ottawa area, I speak with him frequently, and I know he is very interested in this debate this evening.

Although it has been done many times this evening, as much for myself as anybody else, I want to recall what At and East means. I had heard the term many times and, quite frankly, I did not quite know what it meant.

It was developed in 1959 and it is a grain and flour subsidy program administered by the National Transportation Agency. It does two things. It gives a subsidy on grain moving essentially from the Great Lakes to ports east of Montreal: Halifax and Saint John, New Brunswick; and for flour moving from points east of Thunder Bay and transported by rail to ports east of Montreal again transported to Halifax and Saint John.

The reason this was developed in 1959 was that in the United States the U.S. railway systems reduce their rates at and east of Buffalo, New York. So the "at" was Buffalo for the United States. The "at" was essentially Montreal for us. Their reduction of rates made it very difficult for Canadians to compete and the fear was that we would use the U.S. route to transport our grains and flours, so in 1959 the At and East, which we are discussing here this evening, was implemented.

It worked quite well until the budget of April 27, 1989, when the announcement was made that the 1959 At and East rate was going to be cancelled. It gave the reason for it initially as I just gave, but then it said the competitive concern no longer existed because the cost of shipping by rail to the United States ports was now considerably higher than the cost of shipping by water through the Great Lakes and St. Lawrence seaway.

As many people have said during this debate today, that was only one of the reasons this policy was developed. Again, to use the words of the then Minister of Transport, the Hon. Jack Pickersgill, another reason the legislation was under consideration was to ensure that we have rates that would provide some inducement and incentive to shippers to use the facilities of Atlantic ports. In other words, the major reason was for ensuring that the eastern Canadian ports could compete with the U.S. ports. In addition, it was considered by the government of the day that it was also fair to enable the ports of Halifax and Saint John to compete with Montreal and

other St. Lawrence River ports. I think that was reasonable then and I think that is reasonable now.

I want to get into the despicable and unforgiving manner in which this was done. The announcement was made a couple of months later. The whole thing was cancelled and this government has been trying to produce retroactive legislation which I understand from my lawyer friends is the worst kind of legislation. It tries to make right a wrong.

In the wisdom of this House, it did not get through. Then, through the stroke of something that was considered by many members to be, if not unparliamentary, then very close to it, a motion was made which reintroduced the bill to put it back to where we are today.

• (2050)

That gives me, as a new member of Parliament, not a warm feeling about how things operate in this House. I do not want to elaborate on that because that is not the reason I am on my feet.

What is this going to do? Essentially, if it is not going to devastate the port of Halifax, it is going to have a tremendous reduction.

Madam Speaker, I do not know how much you know about ports. I have spent more than half a lifetime being in ports, sailing into and out of ports. I can assure you that I have been to many ports in the world and Halifax is one of the better ones. So is Saint John, New Brunswick. They are excellent ports.

One may say: "They may be good, but if there is no use for them, why are they there?" I think there are all kinds of considerations. Let me give you one to begin with.

We have heard various figures being bandied around. We have heard of various jobs. We have heard of jobs as high as 400, 500 or 600, if you take it all into consideration. The second and third order effect, I would suggest, may well go above 1,000.

The consistent figure that we hear and the one that the government was aware of when it introduced this motion is $35 million. As the hon. member for Cape Breton—East Richmond said, $35 million is not a lot of money to the Government of Canada. But I can assure you that it is a lot of money to Atlantic Canada when you consider the effects of all the things that have happened such as VIA Rail, unemployment insurance changes, the effects of free trade and all the other cuts, the post office, et cetera. I could go on for the rest of the time I have to be on my feet about the ills that have happened.

There is no compassion when it comes to the area that I come from. I am not one given to easy criticism of any government, or any particular party, because I know it is not easy to run a country. It is very difficult to run a country. One is bound to make mistakes, operational mistakes from doing business, if you do anything at all.

This kind of a mistake is a kind of a knife in the heart of Atlantic Canada to say nothing of what is happening here when there was really no need for it. The effects that we are going to see are not in themselves going to be devastating, but they are going to be another nail in the coffin. We do not need many more. It is just about shut down right now.

Let me tell you what $35 million means. I once did a speech to the Board of Trade in Halifax and I indicated that the effect of the Navy in the Halifax–Dartmouth area was roughly 25 per cent of the economy if you took into effect the first, second and third orders; the families, their spendings, the doctors, the dentists and the professionals required because of the people in the Halifax area.

Madam Speaker, do you know what that worked out to? It was around $350 million a year at that time. That was about three years ago. Thirty-five million dollars is 10 per cent of that. If one looks at the $350 million as being one-quarter, 10 per cent is a pretty big impact on the Halifax–Dartmouth area.

What happens when the jobs are lost? What about the welfare payments? What about the UIC? What about all the other things that are going to happen?

As we all know, the Atlantic Provinces Transportation Commission is responsible for running the At and East program, and it is going to have to come up with something else for the grains and the flours that are not being brought to eastern Canada.

Do you know what they are going to do? They are looking at the possibility of, would you believe this, importing foreign wheats, oats and barley, not from the United States, but from France and from Europe.

Here is the scenario. We jack up the rates so we do not get the flour and the grain, and what do we do? We get the grain, flour, wheat, oats and barley from Europe and France. Therefore, we will not subsidize the rates for eastern Canada because, for some reason or other, it is not considered to be efficient. I am not going to make any odious comparisons with the west. Then we go and subsidize the European Economic Community, with which we are great competitors. I try to understand this, and I cannot. I doubt if any member here can. I have stood in this House and voted for and against many things. But when I get up to vote against this, it is going to be one of the most vicious votes I have ever made because I think it is one of the worst things that has happened in this House since I have been a member of Parliament.

Mr. Pat Nowlan (Annapolis Valley—Hants): Madam Speaker, I just want to compliment the hon. member for Bonavista—Trinity—Conception on a very thoughtful speech on a very complex issue which, frankly, a lot of people do not understand. I share his views. Being a member of the transport committee for several years, I can say in terms of witnesses who came before that committee and members who were on that committee that the At and East is such an inane title to a subsidy program. If we called it pork and beans, anything we wanted, then there would be a little life to the thing. But as you say, it was at and east of Buffalo.

In the budget of 1989, the then Minister of Finance only mentioned one reason why it did not apply any more, in his judgement, and he did not mention the other reason that Mr. Jack Pickersgill stated in the House in 1966 when he confirmed the At and East in legislation.

I do not want to trespass too long here, and I am not going to repeat everything that was said earlier, certainly by me. Several of my colleagues across the way have said this is a dead issue because the subsidy *de facto* has not been paid since July 16, I think, of 1989 under cabinet order. Therefore, this bill is really putting the end to a subsidy program that may have been nice, but things change. It is over. It is history.

As I did say, repeating myself a little, I have concerns. The hon. member for Bonavista—Trinity—Conception touched on it, showing the reason why he was the Grand Admiral of the Maritime Command Fleet in his very lucid assessment of the issue.

I am not worried tonight about speaking on the history of a subsidy program. I will be the first to admit that a lot of subsidy programs have to be changed, have to be cancelled, have to be phased out, re-adapted to changing circumstances. My concern about history is the history of that elevator. I cannot stress it enough here tonight in as even a way as one can, that I am disappointed that more Atlantic Canadians from all sides of the House have not contributed to this part of the debate. If that elevator goes, the $35 million input into the economy that my hon. friend talked about is there in spades. Relatively speaking, I hasten to say, that is a conservative estimate of the impact of that as it filters down into the agriculture area, let alone the flour mill, which is the only flour mill, that is viable and ongoing in Atlantic Canada.

The thing that really bothers me about the other side of the subsidy program is the multiplier effect that you get out of some subsidies. My hon. friend from Regina—Lumsden asked me a question about this after I finished speaking earlier. I had not been asked that question previously, and someone should answer it. No one is going to answer it tonight, and most likely it is not going to be answered before we get to vote on this bill.

With all respect to our British parliamentary system, this is where there have to be more changes made, more reform in this House to make it a more viable place where we have more meaningful debate and where we get more objective advice. I refer to the American system, in part, where they have their OMB, their Office of Management and their other agency which does congressional assessments and studies on the impact of legislation.

In all the years the At and East has been before this House, I have seen nothing. I hope if there was something that could refute me that the government would produce it before we vote. That was basically the first part of the question from the hon. member for Regina—Lumsden, who asked me if the cost of the subsidy varied between $28 and $40 million. This is why it is so difficult to put a handle on it. It changes from year to year, depending on the shipments of grain and/or the export of flour.

• (2100)

Roughly, it has gone from $28 million to $40 million over the period of its existence. But is the cost of that any more or any less than the cost of the coast guarding effect. My maritime commander might even have figures on that. Seriously, is that the cost of a subsidy which has a multiplier effect because it helps the farm community and it helps people all through the community? Goodness knows how that is clawed back by government in taxes. So it is really not a $28 million to $40 million output, depending on what year you take it, because an awful lot of it comes back in taxes because of the economic activity of the $35 million that my friend talked about.

But then you still have the cost of the navigational equipment and the ice-breaking facilities to keep the St. Lawrence open, to say nothing of the port of Montreal and the port of Quebec. I have never seen that assessment as to whether one offsets the other or what is the deficit or surplus position. I would think in another way, in another world, a more ideal world that we should know something about that before we cut off this type of subsidy. We all know that once you cut it off, it is not going to come back. And that brings me to my final point.

I am perhaps being a little more aggressive than my hon. friend who spoke before me, a very even-tempered and mature person. I am trying to be that myself. However, have been here for a few years and have had At and East talked about until it is like corn flakes coming out of my ears, and still nothing is provided by government to help offset the loss of the subsidy, to fill in the vacuum, to help compensate for the loss of the economic activity.

I have certain friends over there, and I am not going to name them by constituency because that might get a little too close, who are neighbours and friends of mine from my province of Nova Scotia. They have said that we could do this, or we could have double stacking, or we could have the corn countervail come off, or we could have unit trains that go from Halifax through. We could have all these things. We could have a marvellous world out there. But we all know there are some realities.

The thing that bothers me about this piece of legislation, without getting into the procedural reasons why we are debating it tonight which I mentioned earlier is another debate in itself, if this thing is dead as it has been in terms of dollars paid out since July 16, 1989, what is the problem with the amendment moved by the opposition House leader? In effect, it would give it that six-month hoist so that at least the bill is not completed, proclaimed and finally terminated so that there can be some pressure on the bureaucracy to use a lever. We all respond to pressure. We know that in this world of ours. There would be some pressure on the bureaucracy to come up with some of those mythical offsets.

That is what bothers me, and that is why I think the amendment moved by the opposition House leader has merit. I know there are some sincere members and a couple of sincere ministers on the government side who have been trying to work out some type of meaningful program to offset the loss of this subsidy so that we are not left high and dry in Atlantic Canada as we have been in so many ways as described here by other colleagues of mine tonight.

That is the reason why every Atlantic Canadian, at least I would think, would have to support the amendment of the opposition House leader. If that does not carry, then certainly for their own consciences and those of their constituents, they should have no hesitation in voting against a piece of legislation that is not going to do what it is intended to do anyway, namely, save the taxpayer's money, yet is going to have an adverse effect on the economy of an area that really cannot stand many more blows.

Again, I am glad to have had the chance again, in view of the amendment of the opposition House leader, to have spoken. I just hope that members on all sides, and especially the government side, those from Atlantic Canada will really decide that sometimes parties are necessary, but the people you represent are fundamental. On this bill, there is absolutely no question of how you should vote.

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I have been listening to the debate on this motion. Is it C-11 or is it C-26? It is regurgitated, right?

An hon. member: It is C-11 today.

Mr. Fisher: Yes. And the fact that it is even back in the same form it was before the House prorogued is indicative of the problem that this House is facing, and not only with this piece of legislation.

I have been listening to the debate on C–11, in its earlier form and since it has been amended as well, and I see the speakers groping for some way to express what will happen in the most horrendous terms possible. It seems that it is not possible to come up with a superlative that describes how horrendous this bill is.

An hon. member: Grotesque.

Mr. Fisher: No, that does not even come anywhere near it.

The Americans have a way of distilling the English language. If we were American, we may say: "I am from Missouri, I have no faith in this. I do not believe it. It is not going to work". We have "good news, bad news", which has almost become a cliché. When it comes to C–11, the regurgitated C–26, there is no good news. We have come to a point where the worst–case scenario, as described by the opposition—and I would say collectively, in all charity—really becomes in the real world, as the previous speaker mentioned, the good news. The worst–case scenario which we described really becomes the best news.

If you are referring to free trade, we described the worst–case scenario and it turned out to be even worse. Perhaps not the best news, just the only news. It is worse than we even imagined. The changes to C–21 are far worse in their devastation than the opposition described. Where the opposition was talking about the transfer payments and the unwillingness of the government to keep up with the increases in inflation, as far as post–secondary education and medicare are concerned, our worst description becomes even better than reality has turned out to be.

That is the case with this piece of legislation. The At and East was simply a way to compensate for the extra cost of hauling exported grain to the Atlantic ports of Saint John and Halifax in the winter when the St. Lawrence is closed and the ability to ship it by the cheaper waterway was no longer an option available to the wheat producers or the grain producers of Canada.

It had the spin–off effect of keeping the elevator in Saint John and the elevator in Halifax viable entities, employing many people along the way. That is good, and we will get into the numbers of people that are involved in that. The concept of the At and East is just a marvellous way of helping the grain producers of the west and Ontario, a way to help the millers of the maritimes, a way to help the livestock producers and the poultry producers of the maritimes as well, and to keep the cost down for them and the products they produce, which the people of the region consume. We had a positive spin–off there as well.

What has been proposed has not only been proposed, it has been eliminated. During part of the previous debate someone from the government side said: "It is gone. It is finished". That is probably an apt description of what is going to happen to this government as a result of the programs it has brought in, the others which I have referred to including this one.

• (2110)

One of the previous speakers referred to the elimination of the lighthouses and how the lighthouse keeper said the closest habitation to him was Europe and Africa. I suggest that this kind of legislation and previous situations show that the Government of Canada is equally as far removed from the populace of Canada and will suffer the results.

The grain elevator in Halifax, which I referred to previously, contributes to the economy of the city and the region somewhere in the neighbourhood of $25.9 million per year and employs somewhere around 480 people on a continuous basis. That is just the grain handling portion of it.

As a result of it being able to store grain for the millers of the area, it contributes, through that and through the milling facilities, another $28.4 million to the region for a total of $54 million.

The At and East cost the federal government somewhere around $40 million, so we can see that from the port of Halifax alone there is a positive effect within the Canadian economy of somewhere around $14 million. If we include the port of Saint John, the other open water port during the time that the St. Lawrence is frozen, and its contribution of somewhere around $8.5 million and around 90 jobs we can see that the total economic effect to the region is extremely positive in relation to the expenditures.

We, as New Democrats, have suggested that, in agreement as a matter of fact with the Atlantic Provinces Transportation Commission, perhaps the $40 million is, in view of increased technology and so on and the changing times, a figure that could be reduced. The Atlantic Provinces Transportation Commission suggested a cost of $20 million could be a sustainable figure and still keep the ports open and be able to continue as

had been done with the $40 million under the At and East.

Comparing the $20 million which has been proposed in comparison to the almost $60 million result shows a tremendous cost advantage for the Canadian people.

If we take into consideration the probability that the cost with the At and East being eliminated will rise by $10 per tonne, there is the probability that flour mills will close. There is the probability that packing houses will close. There is the probability that the livestock industry, the feed mills, will also be adversely affected in the region to the tune of somewhere around 5,000 jobs in the ancillary agricultural activities within the region. That amounts to almost a fifth of the people employed in the agricultural sector of the economy of the region.

There are effects as well for the province of Ontario. Four grain elevators will shut down, or have shut down, because the At and East has been cancelled—two of them in Midland, one in Port McNicoll and one in Prescott.

It is interesting to mention that the one in Midland and the one in Port McNicoll are in the constituency of the present Solicitor General. I do not know whether that indicates bravery on the part of that gentleman or not, however it is also interesting to note that he was the Minister of Transport when it came into effect.

The worst-case scenario is that as a result of the elimination of this subsidy there is a likelihood that a good many of the other commodities all across the railroads to the maritimes will be diminished, perhaps even to the point where there will no longer be any trains, as is the case in Newfoundland.

I can see the time when all the way from the constituency of the Solicitor General to the maritimes there may be no railroad at all except perhaps the CPR which runs from Montreal to Boston.

My time has run out. I tried to outline the worst case scenario and I assure the House that things will be one heck of a lot worse than that.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I would like to make a few comments about this bill and raise a few questions which I think are being raised in the minds of some Canadians. I think the last poll showed about 86 per cent of Canadians at the present time just cannot accept or understand what this present government is trying to do to this country. As said by some earlier speakers this evening, the big question in their minds is what they are going to do and continue to do for the next two years.

The question comes to my mind as well. Their actions on this bill, the support of the maritime, western and Ontario grain producers through this bill and the way this bill was used in the At and East subsidy really beg the question: what is the government trying to do to rural Canada, and for what reason? It is shutting down post offices. I have had the opportunity to be in the west and I am not exaggerating when I say that I was through towns, rural towns, in which there were four by eight sheets of plywood across the windows and doors of the shops and the stores.

I cannot understand the purpose or the reason or the motive of the government to continually try to drive rural people out of the areas where the quality of life is second to none, where everything can be provided and where it is a tremendous place to raise families, and into the more urban areas where unfortunately some of the problems of our society today seem to exist at a much higher rate and intensity.

We know that the At and East subsidy was put in a number of years ago for several reasons. It was put in to allow producers another route to market grain from this country on an open port, 12 months of the year. It was also provided and put in place in order to provide jobs through that avenue to the maritimes where they have been, are now, and certainly will be needed in the future. I know that it was not put in place to assist livestock producers in the maritimes. That was not the purpose of it. It was for milling grains and flour and the shipment of those. I would be less than honest if I did not say it had some positive spin-off effect.

Much of the feed grain needed in the maritime region for livestock production has to be brought into the area and this being there, not used directly but indirectly, was certainly a positive effect.

Just this morning, to raise the question again, what is the government trying to do? What is its motive? At the standing committee on agriculture we had presentations from the Ontario wheat producers board and from the prairie pools. The discussion this morning was on the opening of the Canada–U.S. border to U.S. grain coming in. I do not know and I have been in the agricultural industry and the agrifood industry all my life. I keep asking myself what the purpose or the motive is behind all of this.

There does not seem to be an answer. Some of the things we hear people say I do not choose to repeat here in the House because they are not very polite things and I do not wish to make those comments.

• (2120)

We have a situation in the maritimes right now, over all in the maritimes, in which we are looking at somewhere around a 15 per cent unemployment rate. We know that this program has cost $30 to $40 million in the past, and that is a considerable sum of money. I realize that and I recognize that. We also know that in order to make money, in order to create money, you have to spend money. The spin-off effect of this program has been tremendous, and it has not only gone to one small group. It has gone to the producers in the west, the producers in Ontario, to those who take part in the transportation system, to the mills in the maritimes, to the ports, to the elevators and it has gone to all kinds of people.

Why is the government doing it? How can the maritime backbenchers and the maritime cabinet ministers sit there and do this to their own people? Then to make a farce of the whole thing, the government did this back in July of 1989. I have not been a real student of the parliamentary process for as long as many of my colleagues have been here in this House, but it was my understanding that when the House was prorogued whatever was on the Order Paper died.

I guess I should not have said some of the things that I did to some of my constituents when we were talking about that at town hall meetings earlier this winter. They asked me: "Mr. Vanclief, what happens to the work that is before the House?" I said: "when the House is prorogued it all dies on the Order Paper". Now I have to go back and explain to them why it did not die on the Order Paper. Here it is back again. What purpose? Another example, if you are wondering what the government is trying to do, is it is trying to manipulate the orders of the House, the Standing Orders of the House, and trying to manipulate what Canadians have wanted to and still want to think of this House, this great Chamber that we are in tonight and every day.

As a colleague from the other place said when he visited my riding not too long ago, when you look at much of the system and much of what the present government is doing to the system and the way it is using the system to achieve whatever goal the government is trying to achieve, quite frankly we cannot understand what that is, other than it appears to be total destruction and total lack of care for individuals, whether they be primary producers, blue collar workers or whoever.

You tend to have to almost force your mind from wandering to the thought of knowing who wanted the free trade agreement, and knowing who wanted the GST. The friends and the buddies of the government wanted these and the government has delivered for the good of a few and without question for the harm of the majority of Canadians.

There is an amendment before the House. I ask the government to stop and take account of what it has done, take account of what it is about to continue to do, and take account of one case in particular in which we in the opposition told the government it was doing the wrong thing when it came to the handling of grain, and that was a few months ago on the Advance Payments for Crops Program. We pleaded with the government at that time. It can do nothing more than come back to us at this time and say to the opposition, if it is being honest with itself and honest with Canadians: "You told us the right thing, opposition members." It did reinstate the advance payment. I am asking the government, I am pleading with it on behalf of primary producers and every one in the system; the employees, the workers, the elevator operators, the port workers, those who want to purchase grain from Canada at that time of year. It opens another market, it gives another avenue to ship, and heaven forbid we need all of those every chance we get.

The government talks about being competitive and that we have to stay that way, and every time we turn around it takes away one of our competitive edges, one of our management tools and one of our operative tools in marketing of grains and crops. The government speaks one thing out of one side of its mouth and another thing out of the other side of its mouth. It really begs the question.

In closing, I ask the government to reconsider. The amendment before the House tonight is giving it the chance to reconsider what it has done and what it wants to make official by the passing of this bill. When government members vote with their conscience, I hope they stop to think that what they are doing is to the detriment of so many in so many different ways. I ask them to support the amendment before the House put forward by the House leader of the Opposition here this evening.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, it is a privilege, although I was not intending to speak on this debate. I must admit that, I would not call it coerced, but I was motivated to speak. Now that I have spent the last three hours here, I think it is very appropriate. It again proves a lesson to me that if you stay in this House and listen to the debate there is so very, very much to learn. I am sure the Canadian people know that there are not many more than 20 people out here and I hope there are more of them out there who have also learned a great deal about a topic which is of extreme importance to eastern Canada.

As I listened to the ribbon of thought, I said: "Now how can I relate that to my constituency?" The longer I spend here the more I feel that I can relate it because I was in eastern Canada this past weekend and I am in my own constituency a great deal and the two are very similar. We are all like voices in the wilderness saying: "Please pay attention. Please do not do any more economic injustice to us."

When I think of the $35 million subsidy that goes toward the At and East I relate that to my community and I relate it to transportation. Sault Ste. Marie is at the confluence of the Great Lakes. We had a proud Sault Ste. Marie lock. It has been closed for three years. It would cost $35 million to replace that entire lock. We have implored the transport ministers, all of them, to put some money into the canal because it is a Canadian link between the Great Lakes. The answer from our government is that there is no necessity for a Canadian link and we can rely on the American locks. Thirty-five million dollars would make a tremendous investment in our community. The lock is on the very flag of our city. Does it want us to tear it off the face of the community? That is why it is so very, very easy to relate to what is happening here with At and East.

I now realize the extreme importance of the funding of this subsidy to eastern Canada. The amount is perhaps insignificant to the amount of money when you compare it with the dislocation of people and the social programs which have to come into place to fund, I understand, 5,000 people whose jobs will be lost because of this action. I am sure the cost will be much more than the $32 million.

My reading tells me that the revenues into Halifax and Saint John are beyond the $32 million subsidy. It is a net gain. Therefore, why the action?

I think all of the members from eastern Canada have suggested that. We cannot understand the rationale. The rationale from the government, as it said on April 21, 1989, was that the subsidy has the effect of diverting traffic away from the seaway in favour of subsidized rail movements and is inconsistent with the government's market-oriented transportation policy. There is the bottom line. It is for market oriented transportation policy, as in VIA Rail, and beyond transportation policy we get into Canada Post and PetroCan. We are talking about a federal presence in eastern Canada, in northern Ontario, that we are beginning to miss. We are losing that federal presence. This is a disavowal of the government's obligation to be in these outlying areas, the extremities of Canada. It is extremely, extremely unfortunate, and it is a euphemism to say unfortunate.

• (2130)

From time to time it has been attempted, I do not think intentionally, to pit region against region. The figure of the western subsidy amounts to $700 million and certainly the $32 or $35 million pales in comparison. Should we be pitting west versus east? From time to time it involves central Canada. People say: "This is done at the expense of eastern Canada to support rich central Canada". I resent that attitude, because central Canada, Ontario and Quebec namely, is suffering economic hardship, probably beyond just about everyone else. Because of the loss of manufacturing jobs people can no

longer look to central Canada with envy. We are in similar circumstances with eastern Canada.

Subsidy is a difficult concept to define, certainly as shown by the free trade agreement. There was a purpose and there is a purpose for subsidies. If regional subsidies are used strategically and appropriately, they can help the areas of Canada that require that help. We just cannot disband all subsidies because of a bottom-line, budgetary decision. We cannot allow that to happen.

Take a look at the irony of this situation. We are competing with the Europeans, who are heavily subsidized in agriculture, and the Americans, who are heavily subsidized, and we are the good people, the fair traders who once again bow to everybody and say: "We will lower our subsidies or we will cut them completely out".

Again I can relate the same experience to my constituency in terms of steel. The steel industry in the United States is subsidized to the tune of $30 million. In Canada if there is a very small intent to subsidize steel the Americans countervail and harass us with rulings that are actually frivolous. However, when it comes to the agreement and the dispute settlement they are not so frivolous because the panel rules against us.

Therefore, this subsidy issue is a very delicate one and very, very difficult to define. Our Canadian government always acts very sheepishly and non-aggressively in its dealings with the American government.

Dislocation of people is what we are talking about. The dislocation and the costs associated with the dislocation are nothing. They pale in comparison to what this At and East had accomplished since 1966.

Various people have mentioned the retroactivity of the bill. I have only been here two and half years and I only recall one other bill that was made retroactive. It is hard to imagine legislation that can be implemented retroactively. There is a great deal of legislation we would like to absolve or get rid of, take off the books retroactively, if only we could do that.

In closing, I apologize for my perhaps total lack of comprehension of this At and East subsidy and all the ramifications of cutting out this subsidy for eastern Canada.

I am beginning to comprehend it and I do understand the philosophy and the theories of this government that I know are detrimental not only to eastern Canada but to all of Canada.

Mr. John Nunziata (York South—Weston): Madam Speaker, I was not intending to speak on this bill but I have sat here for the last four hours listening patiently, together with my colleague from Broadview—Greenwood, to all the arguments against this bill.

I have not seen any Tories with the courage to stand up to defend Bill C-11. If it is such a good piece of legislation, where are the Tories? Canadians have a right to know. If it is good legislation and if it is defensible then why are they not standing up and doing their job? They are getting paid big bucks to come to this Parliament to speak out on behalf of their constituents.

A good question is where are the Tories? Where are the ministers? We have two lousy Tories in the House.

Madam Deputy Speaker: I am sure the hon. member for York South-Weston would want to rephrase that part of his speech.

Mr. Nunziata: I understand it is unparliamentary to call a Tory lousy. I will withdraw the word "lousy".

The point is that we have four cabinet ministers from Atlantic Canada. Where oh where are they, the Minister of Veterans Affairs, the Minister of Public Works, the Minister of Fisheries and Oceans and the Minister of Employment and Immigration.

Madam Deputy Speaker: The hon. member for York South—Weston has been in this House as long as I have been in this House. He very well knows that it is not parliamentary, and should not be done in a speech especially when it is done as wilfully as it is now, to mention the presence or absence of members or ministers in the House. The hon. member is very well aware of that.

As he has been in the House for the last few hours, I am sure he could find some other way to talk about the bill which is now in front of the House, or the amendment which his House leader has put on the table.

Mr. Nunziata: Madam Speaker, I was not commenting on their presence or absence in the House. I was commenting on their absence from the debate.

There is a distinction. There is a very clear distinction. I could pretend they are in the House but I cannot pretend that they have participated in the debate, which they have not. That is the point I am making, and that point is parliamentary.

I will speak to the merits of Bill C-11. I will make some very brief comments and I would hope that some cabinet ministers will stand up on behalf of the Government of Canada to indicate the reasons so many people must lose their jobs as a result of the end of the At and East subsidy.

Perhaps they can explain to the people of Canada why the government has chosen to pass the bill retroactively. As other speakers have indicated, the subsidy in fact terminated some two years ago. The government, in the last Parliament, introduced Bill C-26. Then it decided to prorogue Parliament.

When a government prorogues Parliament, legislation that is on the Order Paper dies. Bill C-26 ought to have died. It was down. It was out, and the government tried to resurrect it. In fact, it did resurrect it through some type of parliamentary boondoggle or mouth to mouth resuscitation. It brought the bill back to life.

Here we are debating the bill now known as Bill C-11 at third reading stage. Not only has this bill been resurrected but in effect it will be retroactive to terminate a subsidy that has been in place from the mid-1960s until two years ago.

The government has not provided a reasonable rationale for terminating a subsidy that amounts to anywhere from $33 million to $35 million annually. Now, to some people that is a lot of money. Indeed, it is a lot of money. But it makes absolutely no economic sense as to why this government has chosen to terminate that particular subsidy, again, as part of a systematic plan to destroy Atlantic Canada.

• (2140)

Does the government not realize the impact that this bill will have on the economy in Atlantic Canada? My colleagues have very eloquently pointed out the negative economic impact that this bill will have in Halifax, for example, and in Saint John. Export grain shipments to Halifax and Saint John, as you know, have been stopped, and as a direct result the Saint John grain elevator has closed, putting 55 people out of work.

Surely the 55 people at the Port of Saint John, the grain elevator employees, have a right to hear from their representatives on the government side the reasons why they are out of a job today. The government does not have the courage to stand up and tell those people. The continued viability of the elevator at Halifax is in question as a result of this particular bill as well.

Will the government explain to the 27 employees at the port of Halifax who have already lost their jobs why it is that they are out of work today? This particular bill will suck out of the Atlantic economy not $35 million, but maybe five times that amount, perhaps ten times that amount, in terms of the economic spin-offs as a result of that particular activity.

It makes no sense at all to put some 500 or 750 people out of work when the Government of Canada will end up paying much more in terms of unemployment insurance, much more in terms of other types of subsidies, to Atlantic Canada, the parts of Atlantic Canada that are affected by this regressive and unconscionable piece of legislation. Those people, if they are working, will pay taxes. That is why this bill makes no sense at all, it puts people out of work. And when you are out of work, you cannot pay taxes. So the government says: we want to save $35 million and so we are going to end this subsidy that has been in place, that subsidizes the transportation of grain to ports at and east of Buffalo, as I understand it.

The amendment posed by my House leader, the House leader for the Official Opposition, makes eminent good sense. What does that amendment do? It would put on hold this piece of legislation for six months. I am convinced that if government members thought about this a bit, if they reviewed some of the documentation that I have reviewed over the last number of hours, if they listened to the opposition members who have spoken, they, too, will become convinced that it is the wrong thing to do, and certainly at the wrong time. Canada is in the midst of a recession and here the government is simply compounding the problem in an

area of the country that needs as much assistance as possible.

As I indicated, this is not the first action of this government which has shoved a further nail into the coffin of the economy off Atlantic Canada. There have been others. My colleagues from the Halifax area, for example, and other parts of Atlantic Canada, have stood up time and time again to defend their constituents, indeed the constituents of Conservative members who do not have the courage to stand up and defend this piece of legislation, if in fact it is defensible.

Here it is, Bill C-11. It is but two or three pages. What it does, the impact of these two or three pages of legislation, is significant, to say the least, in terms of the economy of two ports in particular and in all of Atlantic Canada.

I would ask, in closing, that the government reconsider this bill, to simply hoist it from the Order Paper for a six-month period as requested by my House leader, and in that period I am convinced that we on the opposition side will be able to convince government members that it is the wrong thing to do.

Mr. Milliken: Madam Speaker, I sat here and listened to the excellent speech of the hon. member for York South—Weston and I note that the government introduced a motion yesterday to change the hours of sitting in this House to extend them to 10 p.m. throughout the bulk of the next two-week period.

The point of order, as the parliamentary secretary must know, is that there is not a single minister of the Crown in this House. While the rest of the members are forced to sit here until ten o'clock debating government legislation, the ministers go and tuck up in bed.

I resent that. The ministers have an obligation to be here. At least two of them should be here. They should not be home tucked up in bed while we are debating their crummy legislation.

Madam Deputy Speaker: The hon. member does know that this is not a point of order and I must say that I am amazed that he would even consider thinking where ministers are or could be.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I, too, would like to join the debate at this late hour and wish as well, like my colleague, that the ministers from the government side would be here and listening to our points. What is raised in this debate is about the Canadian value of caring, about the Canadian value of fairness and equality for regions.

Bill C-11, an act to amend the Railway Act (grain and flour subsidies), also known as the At and East bill, is indeed an indictment, an indictment of our set of Canadian values.

Let me just tell the government opposite, the few members who are here, that to me, Bill C-11 poses hazards to people's lives, poses hazards to the citizens of the Atlantic region in particular, and indicates to me that this bill is an index of contempt by the government in this great institution, Parliament.

Why is that? Bill C-11 was introduced during the previous Parliament, as we know, as Bill C-26. It died on the Order Paper at third reading. Showing contempt for Parliament, showing contempt for Canadian citizens represented here in Parliament, the Tory government resurrected Bill C-26 following the commencement of the new session. The bill was resurrected at the same stage, trying to bypass the series of readings and debates so that Canadians may know more of the ills of this particular bill.

The government, I also submit, is showing contempt for Parliament as the rail subsidy for grain shipments was terminated in July 1989 and today, two years later, they are trying to pass legislation to legitimize what then was not legitimate.

I recall a fundamental teaching in high school that one of the principles in law-making is you do not pass a law that makes an act punishable that at the time was not. In other words, you do not pass a retroactive law.

What will prevent government in the future if we allow this bill to dictate on the events of the past by usurping the power and authority of law-making.

Export grain shipments to Halifax and Saint John have stopped and as a direct result the Saint John grain elevator is closed, putting 55 people out of work.

• (2150)

Perhaps 55 people in the eyes and minds and hearts of this government are not many but every citizen that suffers a job loss has to be taken care of by the government. There is no excuse. That person has a family to support, that person has a family to feed.

Truly, the economic impact on that part of our country will be devastating if we allow this to proceed.

Moreover, this bill in a sense reflects the mismanagement of agriculture by this government of agriculture. In a sense, it also tells of this government's undermining of orderly marketing in the country. It removes the storage option for grain, forcing the producer to sell at harvest time, producing a glut in pricing. We know the consequence of that.

It also will have a very serious effect, a negative effect, on our export capacity to export grains and flour.

When we recall that three government studies have seriously questioned the wisdom of removing the At and East bill, how can we tell Canadians that this government is listening to experts in the country? I think it shows the arrogance of this government.

As I said in the beginning, this bill is an indictment of the Canadian values of caring for our citizens wherever they are, of ensuring that there is fairness from east to west to north in Canada. We should really entrench in our thinking as parliamentarians the principle of equality of regions, the equality of provinces irrespective of their size. They are Canadians.

About a couple of weeks ago I had the privilege of visiting Saint John's and I was impressed by the beauty of that area. I was impressed by the sense of belonging and community in that part of the country. Let us continue to preserve that. Let us give hope for the citizens of the Atlantic region. I from the west, from the province of Manitoba, also a have not province, truly feel the pains of the citizens from the Atlantic region.

In conclusion, the Liberal Party wants to give Atlantic Canadians fairness. As a result, we have proposed an amendment that the motion be amended by deleting all the words after the word "that" and substituting the following therefore:

> Bill C-11, an act to amend the Railway Act (grain and flour subsidies) be not now read a third time but that it be read a third time this day six months hence.

Why is that? Why have we proposed this amendment? It is because we would like to give this government a last chance, a time to reflect and avoid regrets in the future, a time to repent and avoid remorse in the future, a time to retreat for this government so that Canadians may preserve their Canadian values.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise and participate in the debate. I am glad that my point of order a few moment ago, which Your Honour said was unsatisfactory as a point of order, has produced results and ministers have appeared. I am delighted that the ministers were here to hear the comments of my hon. colleague from Winnipeg North and I am sure that the ministers will stay to hear my comments on this bill, in peril of having another point of order raised.

I know the Minister of Supply and Services—despite his penchant for the telephone, which I am sure is provided by his department—will want to remain and hear my remarks. I was polite enough to hear him out in Kingston the other night when he spoke at a meeting of the Kingston Historical Society honouring the 100th anniversary of Sir John A. Macdonald's death. I know the hon. minister who was there on the occasion was pleased to be in attendance. I was delighted to welcome him to my constituency and hope he will pay another visit to Kingston in the near future.

The hon. member says definitely, he got to listen to me as well. I know he found it a treat then as he is finding it tonight.

What I wanted to mention about this particular bill was my concern with the way the government has proceeded with this legislation.

Mr. Vanclief: It is disgusting.

Mr. Milliken: The hon. member for Prince Edward–Hastings says that it is disgusting. That is a very close description of the procedures that have been followed with respect to this matter.

Mr. Mifflin: Despicable.

Mr. Milliken: The hon. member for Bonavista–Trinity–Conception uses the expression despicable. All expressions perhaps would suit in this case but I am restraining my language and am trying to use the words that I used before in this debate when we discussed the question of the admissibility of the motion that the government used to bring this bill back before the House.

This bill has a chequered history. It was introduced during the last session of this Parliament and proceeded through all stages to the third reading stage. It had not started debate on third reading. Indeed, the government was reluctant to call the bill at third reading during the

last session because it knew there would be a protracted debate and probably a very vigorous debate, mounted particularly by those members who are from eastern Canada. It is not to be forgotten that the electors of eastern Canada saw fit to throw out most of the Tory hacks who were representing them in this House for the years from 1984 to 1988 during the 1988 election.

The hon. member for Bonavista–Trinity–Conception, my hon. and gallant colleague, is living proof. If any more is needed I could cite many others who were elected in Atlantic Canada to represent the interests of that region in this House. This bill is anathema to Atlantic Canada. It proceeded through all stages but third reading during the last session and now we are faced with a situation where the government, instead of calling for third reading and sitting an extra couple of days and enduring a couple more Question Periods, decided the best thing to do was get the House adjourned and then prorogued and start a new session and commence debate on this bill again.

It was quite unwilling to go through first reading, second reading, report stage, and committee stage with this bill. It decided it had better reintroduce it at third reading so it did not have to go through those other stages and listen to arguments that it regarded as tedious and dull. Rather than introduce it in the normal way, it decided to do something completely unprecedented in the history of our Parliament.

The hon. Minister of Supply and Services wags his head. I tell him this was completely unprecedented. If he would take the time to look at the precedents, he would agree with me. Never ever before has a government moved unilaterally to bring bills back into the House at a stage and ignoring all previous stages.

Mr. Sobeski: Tell us about the bill and not the procedure.

Mr. Milliken: The hon. member says: "Tell us about the bill and not the procedure". Never mind the procedure, he says. I remind the hon. member that procedure is a very important thing in this country. Arthur Meighen lost an election because of procedure. He called it constitutional froth and was defeated at the polls, and I remind the hon. member of that. It is a remembrance that might serve the hon. member well come 1992 or 1993. He may find that the procedures that he and the government he supports have adopted have resulted in such an abuse of the privileges of the members of this House that the Canadian people are sick to death of that kind of abuse and will throw this government out. The government will be lucky to hold as many seats after the next election as the Bloc Quebecois now has.

I do not want to get on to the next election. I would rather deal with the present, and I want to deal with the procedural aspect of the present. That is the argument that this bill has been brought before us in a way that is clandestine and wrong. The government has never ever before proceeded to introduce a motion to reinstate bills at any stage in the proceedings of the House without the unanimous consent of the House.

Mr. Dick: See how reasonable we were when we were in opposition.

Mr. Milliken: Always, on previous occasions, unanimous consent was given.

The hon. member says: "See how reasonable we were when we were in opposition". Consent was very rarely given because it was very rarely asked for.

In the days when the hon. member was in opposition, we had a government in Canada that knew how to run the House of Commons. It organized its affairs. It organized its affairs so that when a session was prorogued the business was done and it started a new session with a new agenda and a new program, completely contrary to the situation we are witnessing today in this House.

• (2200)

There is no new agenda. There are no new programs. We are debating these old bills and they are being reintroduced by a short–circuit method to avoid legitimate debate and legitimate criticism in this House and in the country. That is what is going on in this case and that is what has gone on in several other cases. Five bills were introduced by this outrageous technique, a totally unprecedented technique.

We had the hon. parliamentary secretary to the government House leader make—

Madam Deputy Speaker: Order, please. Am I to understand that the hon. member has not concluded his remarks?

Mr. Milliken: Certainly not. The time, it seems, has run out.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

QUEBEC'S REGIONAL DEVELOPMENT

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I would like to discuss a matter I raised the other day here in the House. Canada is now experiencing one of the worst recessions in its history, further aggravated by the fact that it was created by the same Tory government that was elected to protect and enhance the well-being of Canadians. It is clear this government has failed miserably, Madam Speaker.

I rise in the House this evening to draw the attention of government members to the fact that some regions in Canada are worse off than others in these difficult times, and the Liberals are not alone in feeling this is so. The Conference Board of Canada also believes that Quebec has been affected more severely by the recession than other provinces.

On June 4, the Liberals spent a whole day drawing the attention of the government to the disastrous economic situation in the Montreal region which has been severely hit by the recession. One example is the manufacturing sector, where plant after plant is closing its doors. I am thinking of General Motors in Boisbriand, and Henkel in Ville d'Anjou, my former riding, right next door to Saint-Léonard. Pascal, one of the oldest hardware chains in Montreal, has closed its doors, and I could go on with a whole list of companies and plants where jobs have been lost, Madam Speaker. It is particularly ironic that we should be talking about employment today, considering that this government was elected in 1984 on a promise to create jobs.

[*English*]

Jobs, jobs, jobs. That was the slogan of the 1984 Tory campaign and look what happened today.

[*Translation*]

Montreal's hotel industry is also suffering the negative impact of this recession. In Montreal, more than 4,000 jobs have been lost in this sector since 1988. Last April, the unemployment rate in the Montreal region, a densely populated area, was 4 per cent higher than the unemployment rate in the Toronto region. Madam Speaker, this government has created a recession, and that is intolerable.

Perhaps we should also consider the Gaspé and the Magdalen Islands, one of the most beautiful regions in Canada, which now has an unemployment rate of over 27 per cent. What hope do young people have for the future in an area which offers no opportunities for durable employment? We can't expect to revive the hope and confidence of these young people with the kind of empty shell offered by the Minister of National Health and Welfare at the end of last month.

The Tory member from Gaspé is well aware of the problems in this region. Unfortunately, he didn't have the courage to defend the interests of his constituents. I am referring to an article that appeared in the Quebec City newspaper Le Soleil on March 7.

The privatization of bait plants by Fisheries and Oceans and Public Works seems to work in favour of producers, at the expense of fishermen. Nevertheless, this industry forms the basis of the region's economy.

Madam Speaker, how can the Minister of National Health and Welfare expect to convince the residents of this area that his recent announcement will help them, when he is doing nothing to support the economic base of this region?

I would also like to know what the government intends to do to prevent an exodus of young people looking for durable jobs because there are no opportunities in this region.

Madam Speaker, you are signalling that my time is up. Thank you very much.

[*English*]

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I would like to take a few moments again to tell the government's involvement in regard to regions of Canada and the objectives in reducing regional disparities throughout the territory.

In order to reach our goal, we have created different ways and means, including the financial assistance program. It was within a concept of the Canadian government to announce nearly two weeks ago a series of measures which we intend to implement in order to lead support to economic development in the Gaspé—Magdalen Island regions and promote job creation.

I would like to tell once again the nature of the endeavours. The measures are related to the setting up of Gaspé–Magdalen Island Economic Development Corporation. This corporation, besides promoting economic development in the area will also be involved in prospective activities, investment and promotion of the fields of industry and tourism, not only in Canada but internationally.

Our government will assume the operational costs of the corporation during the next five years through contributions totalling $1.7 million. The government even goes one step further in offering a grant of $2 million to the same corporation, enabling it to sponsor a newly created organization known as Gaspé and Magdalen Island Investment Registration.

This limited partnership will invest blocks of capital between $50,000 and $400,000 to develop into expanding companies. Occasionally it may invest in a start-up stage of a corporation operating in the manufacturing or service sector. This investment will ensure healthy capitalization in most of the promising enterprises.

A new loan insurance program will also be announced. It will be an acceptable organization of the Gaspé—Magdalen Island region. This new program will allow the carrying out of many important projects which will be named and drawing the boards of inadequate funding.

The government will have a loan guarantee of $6.4 million between now and March 31, 1993.

* * *

IMMIGRATION

Mr. John Nunziata (York South—Weston): Madam Speaker, as you know, I have had the opportunity to ask the government a number of questions concerning the case of Mohamed Al-Mashat. He is the former Iraqi Ambassador to Washington who was fast-tracked into Canada.

We were in the process of investigating this particular matter when the government decided today to shut down the process. We had the opportunity to invite a number of witnesses before the committee. We had the opportunity to ask questions, and obviously we were getting close to the truth. The result is the government today decided that it has heard enough and it no longer wishes the inquiry to carry on, notwithstanding the very explicit promises of the government that it was calling the inquiry in order to get to the truth of what happened, to understand how it was possible for a former ambassador of a country with which we were at war, to gain access to Canada as a landed immigrant, within a matter of weeks, when it takes others months and at times years to enter Canada.

We embarked on the inquiry. A number of cabinet ministers were embarrassed as a result of some of the evidence that was heard. I guess the government is no longer interested in understanding completely what happened in the Al-Mashat matter.

We do know that the government has presented several versions of what happened. We had version A, then version B, then version C and then version D and we really do not know how many other versions are out there. We do know that on the evening of May 13, the former Secretary of State for External Affairs, the former Minister of Immigration, and several other ministers were present at a meeting with officials. At that particular meeting they decided to blame the nephew of the leader of the Official Opposition, Raymond Chrétien, who happens to be the second in command at the Department of External Affairs.

They also decided at that particular meeting to blame Mr. David Daubney, a former Conservative member of Parliament and the Chief of Staff to the former Secretary of State for External Affairs. Mr. Daubney himself gave evidence at the committee that he was blamed for reasons of symmetry. In fact, that was the terminology that was used at that particular meeting. The government has not, in any way, allowed the opposition to understand completely what happened at that meeting on May 13. We do know that a report was rewritten by individuals in the Privy Council Office with apologies already in the report that a fellow by the name of Shortcliff was sent to visit Mr. Daubney and Mr. Raymond Chrétien to tell them that they had apologized. In

fact, Mr. Chrétien indicated very clearly to the committee that he had nothing to apologize for and that he did not apologize.

• (2210)

Madam Speaker, I note that my time is up. Perhaps, the hon. member opposite can explain to the people of Canada why the government is shutting down the inquiry when it promised we would have a full inquiry into this matter.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, it has been a long day and I appreciate your patience in the chair, particularly in re-answering questions that have been so often answered in this House.

I am responding now to questions raised in the House on May 30 by the hon. member for York South—Weston on the Al-Mashat case.

In an exchange with the Secretary of State for External Affairs, the member asked about differences in the chronologies released on May 14 and on May 30. Since the parliamentary committee first began hearings on the Al-Mashat case, this question has been answered on several occasions by both ministers and officials.

I should emphasize that the government has responded to requests from the committee for documents on this case. I understand there is still a standing offer to Privy Councillors from both the Liberal and New Democratic parties which would allow them to pursue Mr. Al-Mashat's immigration file.

For the benefit of the hon. member, let me briefly summarize the facts. Auditors from both the Department of External Affairs and the Canada Employment and Immigration Commission were appointed as soon as minister Valcourt stated that an investigation would take place into this matter. This audit was completed on the basis of corroborated evidence and facts which could be confirmed at that time.

Following the release of the first chronology on May 14, new information became available as a result of public statements, some factual inaccuracies also were found in that document. This was acknowledged by the Secretary of State for External Affairs before the parliamentary committee on May 30.

As a consequence of these acknowledged inaccuracies, ministers requested additional information and further interviews were carried out by auditors, including with persons outside of government. This resulted in a fuller chronology released on May 30, which provided a more detailed account of the handling of Mr. Al-Mashat's case and noted inaccuracies contained in the earlier chronology.

In a supplementary question to the Secretary of State for External Affairs, also on May 30, the member for York South—Weston had pointed out one such factual error between the two chronologies. He asked the Secretary of State for External Affairs on which date the defectors committee decided Mr. Al-Mashat was not a defector.

Again this question has come up before the parliamentary committee, but I would answer the question as follows:

The chronology released on May 14 unfortunately left out a key word. The defectors committee had determined on March 1 that Mr. Al-Mashat probably was not a defector. A final determination could be made by the defectors committee only after Mr. Al-Mashat had been interviewed by officials at our embassy in Vienna. This interview took place on March 5.

Vienna sent its assessment of Mr. Al-Mashat by telex, which was received in Ottawa on March 7. On that day, the defectors committee met to consider the report and concluded that there was insufficient intelligence value present to consider Mr. Al-Mashat as a defector.

* * *

THE ENVIRONMENT

Hon. Chas. L. Caccia (Davenport): Madam Speaker, last week I asked the minister of health if the government would be willing to accelerate the phase-out of chlorofluorocarbons and other ozone-depleting chemicals from the present schedule of 1997, instead to the year 1995.

The Parliamentary Secretary to the Minister of the Environment replied and said, "no". Perhaps, if reasons are provided this evening, the government might agree to 1995 instead of 1997.

According to medical forecasts, more than 46,000 Canadians are likely to develop skin cancer this year. The incidence of melanoma, the most dangerous form of

skin cancer presently known, has, in addition to that, more than doubled in the last 20 years.

The Canadian Dermatology Association says that these figures do not yet reflect the impacts of a thinning ozone layer, and that the risks of skin cancer will continue to rise into the 21st century. Our young people are particularly at risk.

In April of this year, scientists with the National Aeronautics and Space Administration in the United States released new data showing that ozone depletion was occurring at twice the rate previously predicted. This has allowed the United States Environmental Protection Agency to conclude that ozone depletion over the United States will result in approximately an additional 6 million cases of skin cancer and 200,000 deaths over the next 50 years.

Compared to 10 years ago, there is now on average, according to the scientific community, 5 per cent less ozone in the stratosphere over southern Canada.

These findings therefore have very serious public health implications. The ozone layer is the earth's only natural protective shield against the sun's harmful ultraviolet radiation. Increased exposure to such radiation will increase the incidence of skin cancer and eye disease, weaken our immune systems and also decrease the yields of certain important agricultural crops.

Now, to return to the cause, which is chlorofluorocarbons. The Canadian government currently plans to phase out chlorofluorocarbons in 1997. Other countries are moving faster than Canada.

Germany will end its chlorofluorocarbon production in 1995. Australia, Norway and Sweden will all have eliminated 95 per cent of their chlorofluorocarbons by 1995.

In the light of these developments, the question is will the Minister of the Environment or the minister of health and welfare or someone on their behalf phase out by the year 1995 ozone depleting chemicals, specifically chlorofluorocarbons, halons and methyl chloroforms, to protect the health of present and future generations of Canadians?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, the satellite data on ozone layer definition and the agreement with the data from Canadian stations do not significantly change our understanding of the state of the ozone layer but reinforce the need for strong international action.

Canada's consumption of ozone depleting substances is decreasing faster than required by the Montreal protocol. The 1990 Canadian consumption of CFCs was 33 per cent below that of the 1986 level used as the benchmark for the Montreal protocol.

We are committed to zero consumption of CFCs by the year 1997, three years ahead of the international schedule.

The objective is the ozone consumption by the year 2000, five years ahead of the international schedule. From the ozone depletion substance in general, we are now more than two years ahead of the international schedule.

Large decreases are occurring in several other industrialized countries as well. As a commitment in the green plan Canada will continue to work on the domestic reduction and recycling initiatives of CFCs and partnerships with the provinces.

The National Research Council is working with the industry to evaluate CFC alternatives. Our regulation program eliminates specific use of ozone depleting substances as adequate replacements become available.

HOUSING

Hon. Alan Redway (Don Valley East): Madam Speaker, I want to tell you about a constituent of mine named Hyacinth Vernon.

Ms. Vernon is a single mother, she has four children and she goes to work. Until recently, she and her children lived in an apartment near my constituency office on O'Connor Drive but she had to move because, quite legitimately, her landlord wanted to move relatives into her apartment.

There are very few places for a Canadian who is a single mother of four children and who is a member of the working poor to go to live these days. The vacancy rate until recently in metropolitan Toronto was less than 1 per cent. In fact, it was about .3 per cent. She had been on the waiting list for public housing in the metropolitan Toronto area since 1986, some five years. She was forced to move in with her cousin, the husband of her cousin and her cousin's two children in one bedroom.

There you are, we had three adults and we had six children in a one bedroom apartment. We know that that could not go not go on very much longer. She had to move out. Where could she go then? There was still nothing available in the rental apartment market, there was still no public housing available. Now she is in a one-room motel room in the Americana Motel on Kingston Road in Toronto with her four kids.

She continues to work every day. She hands her weekly cheque of some $283 net over to the social and community services department, the welfare department. They pay the rent on the motel, then hand her back enough bus tickets to get her back and forth to work every day and they give her $26 a day to feed, clothe and look after herself and her four children.

Now I am told by the welfare department in metropolitan Toronto that Ms. Vernon is only one of about 100 similar cases in metropolitan Toronto right now. Why in heaven's name Ms. Vernon does not just throw in the towel I do not know, but obviously she is made of pretty good stuff.

Ms. Vernon cannot get into public housing because she is one of some 17,000 Canadian citizens and landed immigrants who are now on a waiting list for public housing in metropolitan Toronto. On top of that, the Ontario Minister of Housing, because of a decision of the Supreme Court of Canada, has now said that he is going to admit refugee claimants to public housing as well. There are some 90,000 refugee claimants in Canada at the present time, 60,000 of those are in Ontario. They are now available for public housing.

Where in heaven's name are we going to put these people? Refugee claimants are the responsibility of the federal government. CMHC has no money. Employment and Immigration has no money. Where in heaven's name, Mr. Minister, are we going to put these people when refugees are a federal responsibility?

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I am pleased to have the opportunity to respond to my colleague on the question of refugees benefiting from the security of government-assisted housing.

The hon. member is aware that the federal government, through the Canada Mortgage and Housing Corporation, shares responsibility with the provinces in the delivery and support of low-cost housing.

The National Housing Act in no way restricts these benefits to Canadian citizens or landed immigrants. In fact, putting restrictions in place would contravene human rights legislation.

The hon. member is quite correct in noting that demand for government-subsidized housing is great, especially in the Toronto area where so many refugee claimants reside. I am pleased to advise the hon. member that officials of CMHC, the Ontario Ministry of Housing and Canada Employment and Immigration are already working together to identify the extent of the demand and its impact on the availability of subsidized housing.

Throughout Canada, family members, church groups, multicultural societies and other non-profit organizations are working to improve the living conditions of recent arrivals to the country. We have seen remarkable examples of communities rallying to the aid of those driven from their own homelands by war or oppression.

The hon. member may recall the dramatic footage of a boat load of Tamils who had arrived on the rocky coast of Nova Scotia. The people of the nearby villages found them. They were sheltered, clothed, fed and given every possible form of aid and help.

These are genuine expressions of kindness and concern. It is a very direct and personal response to the need.

As the minister responsible for Canada Mortgage and Housing Corporation mentioned in his earlier response, when the Vietnamese boat people arrived in this country a number of years ago, they were desperate for housing. At the time, CMHC had some vacant apartments in housing administrations. Mortgage insurance operations with refugees are settled there.

It is interesting to note that very quickly they became established in the community and were able to find their own housing. In fact, it has been reported that some of the people who were helped in this way treated their assistance as a temporary loan and paid the government back.

I am pleased to be able to respond to the hon. member's question.

[*Translation*]

Madam Deputy Speaker: The motion to adjourn the House is now deemed to have been put. Therefore, this House stands adjourned until tomorrow at 2 p.m, pursuant to Standing Order 24(1).

The House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, June 12, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 31

[*English*]

ASSEMBLY OF FIRST NATIONS

Mr. Jack Iyerak Anawak (Nunatsiaq):

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

Mr. Speaker, yesterday the chiefs of Canada gathered in Winnipeg to choose their new national chief. Six excellent candidates had sought this honour in a fine campaign. Early this morning, the chiefs made their final choice.

I want to offer my congratulations to all the candidates and to the new national chief, Mr. Ovide Mercredi. In these crucial times, a heavy burden lies on this country's leaders, both aboriginal and non-aboriginal.

As we seek the constitutional renewal of this country, as we strive to make Canada an even better country for our children, let us all work together with open-mindedness, generosity, truth and honesty. Canada is big enough for all of us.

The Minister of Indian Affairs and this government will be well advised to listen to Mr. Ovide Mercredi, and his acceptance speech when he talked about growing up in his early years.

Best wishes to the national chief.

* * *

PARLIAMENT OF CANADA

Hon. Alan Redway (Don Valley East): Many Canadians who have lost faith in our political system and its leadership want to change not only the politicians who represent them, but our system of government as well.

Our present Canadian parliamentary system that has existed for 150 years is based on the union of the executive and the legislative branches of government. This means that every cabinet minister must have a seat in one of the Houses of Parliament and in theory at least that the cabinet as a whole is responsible to the House of Commons. In practice, however, the House of Commons is now actually responsible to the cabinet since the Commons enacts only legislation chosen by the cabinet within time limits set by the cabinet.

If we are to restore Canadians' faith in our political system, we must not only ensure that MPs reflect the views of those they are elected to represent, but also that the cabinet is responsible to those MPs in practice as well as in theory.

* * *

INDIA

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, last week was the anniversary of the storming of the Gold Temple in Amritsar.

June 4 to June 7 will stay in the memory of Sikhs throughout the world for generations to come. The desecration of the holiest shrine in Sikhism was a devastating event for Sikhs in Canada.

We share the grief of the Sikh community on the seventh anniversary of Operation Blue Star, the Indian government's code name for the storming of the Gold Temple.

[*Translation*]

Sikhs all over the world will never forget these events, this assault on their identity and their spirit. I share the memory of these tragic events with the Sikh community, and I hope all members will join me in commemorating that day.

S. O. 31

THE ECONOMY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, last April, the unemployment rate reached 15.4 per cent in Abitibi-Témiscamingue. This was mostly due to the fact that more people were looking for work because of the economic slowdown.

If we compare April 1990 with April 1991, we see that the number of people in the labour force rose from 66,000 to 68,000. Economist Marie-Josée Marcoux sees some positive points in this year's statistics for April. She said that compared with last year, the region gained 1,000 new jobs. This is a recent development, since according to her, the Quebec economy recorded an increase in employment during the past three months, a trend that is expected to continue, which is something to look forward to.

The worst of the recession seems to be over, although the region's economy still has a number of problems, especially in the forestry industry. However, since all the cuts were made in this sector, the forestry industry will have to catch up.

The Quebec Minister of Forestry, Mr. Albert Côté, should listen carefully to demands coming from the industry in Amos, Senneterre, Barraute, Malartic and Matagami.

* * *

[*English*]

ASSEMBLY OF FIRST NATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, as was mentioned earlier, last night the Assembly of First Nations elected Ovide Mercredi from northern Manitoba as their new national chief.

On behalf of the New Democratic Party, I would like to extend our sincere congratulations. As a result of this election, Ovide will be a significant voice in the upcoming constitutional debates which must include aboriginal issues and representation.

The new national chief, because of his education and experience, is especially qualified to provide this leadership. Yet, ironically, for most of his life the Government of Canada refused to recognize him as an Indian. After last night, that recognition can no longer be questioned.

This House congratulates Ovide Mercredi and the other candidates and expresses its hope that the government will deal positively with the new representatives of the First Nations of Canada.

* * *

NEW DEMOCRATIC PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, this past weekend the New Democratic Party issued a new, revised New Democratic Party dictionary at its convention in Halifax. Here are the changes: the word "profit": profit is no longer a taboo but indeed is now an acceptable, allowable, result of business.

The dictionary includes "capitalism". Capitalism is no longer a dreaded disease but now is a method for achieving excellence in creating new wealth.

"Free enterprise" has a definition as well. It is not the systemic destruction of humanity by robber barons in the form of corporate executives. It is now the method for expanding our economy, increasing our standard of living and generating new prosperity.

The New Democratic Party should have contacted me long ago. I would have sold them a Progressive-Conservative Party dictionary at a discount price.

* * *

ASSEMBLY OF FIRST NATIONS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I too would like to congratulate the new grand chief of the Assembly of First Nations on his election to office. It was a hard way to do it, but he did it.

Chief Mercredi takes on the daunting task of continuing building and improving the relationship between almost 600 First Nations and the various provincial and federal governments in Canada.

In dealing with the three native organizations in my riding during my brief experience as a member of Parliament, I have come to realize just how different the cultures are and how they do not mesh together, but still must function in concert in the interests of all parties. Even at this level I can feel the frustrations and this is only a hint of what Chief Mercredi faces.

I have had the opportunity to witness Chief Mercredi in action at committee and in interviews and I have great confidence that he and his approach will be successful in resolving many of the outstanding issues between natives and governments. I wish him the most sincere good luck in his endeavours and hope that maybe I might be able to assist him in some way.

* * *

GASOLINE ADDITIVES

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, today Friends of the Earth, Greenpeace and the Canadian Environmental Law Association banded together to condemn the export of a lead additive for gasoline.

Ethyl Corporation plants have doubled its production of this highly toxic tetra-ethyl lead for export to Asia, Africa and South America. In Canada, leaded gasoline is virtually banned because of the devastating effects of lead poisoning on young children. This double standard is morally reprehensible. How can we justify protecting the health and lives of our own children while profiting from poisoning the lives of children in developing countries?

• (1410)

Canadians want to know what this government has done since it was told about Ethyl's plans over a month ago. Will it serve notice that the export of this poison will be banned or does it perhaps believe that Canadians want jobs even when the cost is the lives of children.

* * *

FAMILY VIOLENCE

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I would like to take this opportunity to endorse a decision made last month by the two country music television channels.

The stations banned a music video which vividly depicted family violence.

Family violence is a problem with tremendous proportions throughout North America and, in my opinion, its depiction numbs us to the terror and pain it inflicts. How can we hope to overcome this problem if every medium of communication continuously bombards us with it?

The Nashville network and country music television have refused to be part of this desensitizing process any longer. For this I will applaud their courage and initiative. It is my hope that this will become a trend in Canada.

* * *

GROUP OF 22

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the matter is settled. There is no need for a constituent assembly, and certainly no need to get others involved.

We have the Group of 22, an elite group from the "old Canada" based upon two founding peoples, unperturbed and undiluted by participation of first peoples, ethnocultural or racial minorities, or the rest of the *hoi polloi*.

Speaking, *ex cathedra* of course, on behalf of all Canadians after heated debate among themselves, they have pronounced their vision of Canada. It is a Canada where the federal government withdraws from health care, education, and social programs.

Most Canadians say this will destroy Canada. Maurice Sauvé says the Prime Minister was impressed. No wonder. The Group of 22 wants him to finish his job.

* * *

ILLICIT DRUGS

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, drugs and the illicit use and illegal trafficking associated with them are straining the resources of our police forces. I want to highlight two legislative changes which should be made to assist police forces in dealing with this problem.

Currently all moneys and/or goods confiscated must be submitted to the federal government and none of it is returned to the municipalities which bear the enforcement costs. As a result, they cannot afford to devote enough resources to drug related investigations.

Second, as a result of the Duarte case, it is illegal for police officers to use audio/visual devices as safety precautions during undercover drug trafficking investigations. This greatly hampers the work of the police and endangers their safety.

I spoke with Don Hillock, the chief of police for York Region this morning. He is very concerned about both of these issues, particularly the safety of his officers.

Let us support the fine men and women serving in our police forces.

I call upon the Minister of Justice to address both of these issues.

* * *

GOODS AND SERVICES TAX

Mr. Stan Keyes (Hamilton West): Mr. Speaker, backbench Conservative MPs, such as the member for Halton—Peel, are desperately trying to escape the sinking Tory ship of state and to appear not to be guilty of its demise.

On Monday, the member for Halton—Peel asked of the minister for privatization during Question Period: "Last week we learned the government raised $400 million more in 90 days than it was supposed. Does this mean there is now some hope for my constituents that there will ever be any relief for middle-class taxpayers?"

Has the idea of standing up for his constituents in this House finally occurred to the member? Were his constituents not among the 80 per cent of Canadians who opposed the tax in the first place?

I will remind his constituents that on October 2, 1989, the member for Halton—Peel had this to say about the GST he is now trying to dissociate himself from: "Will some people be hurt? Yes. Will some people benefit? Yes. Is it fair? Absolutely. It is fair".

The member acknowledged back then that it would hurt his constituents, but he voted for it anyway. Now the predicted cash-cow, as he calls it, from the GST has come in courtesy of the Canadian taxpayer. Let us just see how many other backbench Tories jump the ship with the certain approach of the next election.

* * *

NATIONAL UNITY

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, clearly the most challenging task before us in the mission toward constitutional reform and national unity in Canada is to ensure that all Canadians feel the right to be included in the process. While many citizens may choose not to participate directly in the constitutional debate, they must nevertheless be able to perceive that such an opportunity does exist for them. There are many innovative measures which we must initiate and many have already been introduced. The Citizens' Forum on the Constitution, for example, has served to involve ordinary citizens to a much greater extent than may yet be recognized.

Every member of Parliament has a role and a responsibility in nurturing the national consultation dialogue. Many already conduct regular town hall public meetings where constitutional and unity issues invariably come to the fore.

Another potential direction for every riding might be the convening of citizens' committees on the Constitution under the auspices of the local member of Parliament. That is an initiative which has worked well for my constituents on language and cultural issues in the past and I believe it offers similarly good prospects for constitutional dialogue in the future.

ORAL QUESTIONS PERIOD

[*English*]

TRADE

Ms. Sheila Copps (Hamilton East): My question is for the Acting Prime Minister.

Today the trade ministers of Canada, the United States and Mexico will sit down in Toronto and begin the discussion on a new free trade deal. Six months ago an all-party committee report in this House blasted the government for not doing its homework. The report said, and I quote: "We were frankly amazed by the detailed lack of economic analysis of the costs and benefits of a North American free trade agreement".

I ask the Acting Prime Minister this: Why is the government pursuing these talks when even its own members admit that it has not done its homework?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is perfectly evident why these negotiations are necessary. We want to expand trade throughout North America. We want to protect intellectual property. And we want to improve mechanisms for settling disputes with the Mexicans within that context. That is a very good negotiating position and one

that the Government of Canada is very proud to take into these discussions.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, 600 lay-offs this week in Montreal.

[*English*]

Even in my own riding of Hamilton East there was another steel plant closing this week.

[*Translation*]

Since the United States and Mexico seem to have a good idea where they are headed with these talks, I want to ask the minister this: Why have Canadians been kept in the dark by this government? Why is the government starting these talks at a time when its economic policies are destroying the manufacturing sector in this country?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member does not ask a question so much, she just makes some allegations.

The purpose of these discussions are clear. What is going to happen is that Canada, by being part of these negotiations, is going to be able to expand its trade further. We believe as a government that no country's economy has ever been hurt by expanding trade. The way you hurt a country's economy is by being protectionist and with restrictions.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, even the President of the United States has committed himself to minimum environmental guarantees. He has also promised specific worker adjustment for those American workers who will lose their jobs in continental free trade.

This Prime Minister has yet to answer to the thousands upon thousands of Canadians who lost their jobs as a result of the last deal and who were promised adjustment programs that were never delivered upon.

My question to the Acting Prime Minister is this: Why are the Americans committed to environmental guarantees and worker adjustment programs, when our government is not prepared to make the same guarantee to Canadian workers?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): This is the government, through the initiative of backbench members of this party as well as this government, that put in place the momentum for the most important acid rain agreement ever signed in North America.

We do not have to take lessons from the hon. member on how to deal with the environment. There is also a three or four stage process for discussion of environmental matters. It is going to be very thorough. It will be aligned with these discussions under NAFTA.

When it comes to adjustment programs, no government in North America has an array of adjustment programs that can match what we have.

* * *

• (1420)

THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Finance. Today Statistics Canada reported that its composite leading indicator, a measure of how the economy is expected to perform, fell last March for the 14th month in a row. These figures are for the month of March, after the government presented its most recent budget.

Will the Minister of Finance admit that his 1991 budget is proving to be the wrong budget for the wrong time? Will he present a new budget with a plan for a speedy economic recovery? Why will he not do more for the thousands of people suffering out there across the country from this government's misguided economic policies?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): The answer, Mr. Speaker, is no. As the hon. member knows, the budget was brought down in the latter part of February. These are the figures for March.

I think the hon. member would agree that a number of the indicators that have come out in April and in May whether it be business confidence, whether it be housing starts, whether it be housing resale, and indeed, job creation, indicate there have been some 73,000 new jobs created in the last two months. The positive impact of the budget is being felt and there are many indicators which suggest that.

I know the hon. member would rather preach doom and gloom than be a little optimistic. Perhaps it is time for him to be a little bit optimistic.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to assure my hon. friend I would like to be optimistic on behalf of the thousands of people unemployed in my own community and across this country. The minister fails to realize that the over-all indicator produced by his own government's statistical agency is down for the 14th month in a row. It shows the economy is still shrinking.

Why is the minister pursuing the same policies that got us into the recession to get us out of it? Why will he not admit that the economy is still shrinking and do something now to bring about a speedy recovery? Why is he simply standing back and doing nothing as he has been doing?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows that the way out of the problems we are in are not the simple solutions that he is suggesting. We have to attack the underlying causes of inflation. We have to engage in fiscal consolidation. We have to have the fundamentals right. We are getting the fundamentals right because the April and May stats show signs of improvement. That is encouraging.

I wish the hon. member would share that view because many other Canadians do. Even though we are not completely out of the woods, there are positive indicators which suggest that the turnaround is very close.

* * *

TRADE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Deputy Prime Minister.

Today the Canadian delegation is in Toronto to begin the trade talks with Mexico and the United States, but Canadians have been left completely in the dark about what is on the table. There has been no real parliamentary debate here. There has been no vote on Canada going into these trade talks with Mexico. I think it is absolutely irresponsible that this government starts talks with the Mexicans and Americans before it talks to Canadians.

Will the Deputy Prime Minister tell Canadians today who put together this package that Canada is negotiating and what exactly is on the table?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am very happy to tell the hon. member that there is going to be a very continuous and intensive process of consultation with Canadians, through the SAGIT mechanism and other mechanisms with industrial groups, labour groups and Canadians generally that will accompany these discussions.

The broad principles which are being put in place before the Canadian people today in the House, but also in the meeting in Toronto, are clear: First, to try to improve trade by removing obstacles to trade, including tariffs and non-tariff barriers; second, to come up with a dispute settlement mechanism which will include Mexico; and, third, to see if we can protect intellectual property better. All of these principles will be done in order to increase benefits for Canadians.

Hon. Audrey McLaughlin (Yukon): I have a supplementary question, Mr. Speaker. We still do not know what is on the table. One of the minister's colleagues was saying during Question Period that everything was on the table. That is what we want to know. Is culture on the table? What is on the table?

Since the Canada-U.S. trade deal began, 315,000 Canadians have lost their jobs and in the last year 36 auto parts manufacturers have gone out of business. On June 9 the chairman of Magna International announced that Magna would be spending up to $15 million in setting up a new plant in Mexico. The chairman of Magna took a page from the government's book and said: "Profit means money. Money has no heart, no soul, no conscience and no homeland".

My question to the Deputy Prime Minister is: What is the Canadian government doing in these talks to ensure that jobs do not continue to move out of Canada but stay in Canada?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member really has gone too far. If she looks very carefully at what the Magna announcement said yesterday, it is very interesting what the chairman said. He said that none of the production which is going to be established in Mexico would be used to supply the Canadian or the American

market. Assembly operations in Canada and the U.S. would continue to be served out of Canada.

Let me just quote the chairman of the company: "It is not a question of closing a factory and moving it down. I feel very strongly that I can maintain our employees here in Canada".

An hon. member: You don't want jobs in Mexico, Howard?

Mr. Hockin: The NDP theory is as follows. If there is to be a new business in a far away land, business we have never done before, Canadian companies should be prohibited from doing it unless it is done from Canada.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I think the minister would want to tell those workers in those 36 auto parts manufacturing companies in Canada that have been closed why they have lost their jobs because of this government's policy.

[*Translation*]

Last week the Minister for International Trade told us it was hard to see the positive results of free trade with the United States, and I am sure 1.5 million unemployed Canadians agreed with the minister.

Could the government give us the assurance that before starting these talks on free trade with Mexico, it will conduct two exhaustive studies: one on the impact of free trade between Canada and the United States and one on the effects of free trade between the United States, Mexico and Canada?

[*English*]

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Well, I would hope that the results of a Canada–United States–Mexican free trade agreement, if we can reach an agreement, would be as good as what we have seen in the last two years under the free trade agreement. What we have seen under the free trade agreement is that our balance of trade has moved from $14 billion to $17 billion. Net investment in the country was negative $2.5 billion three years ago. It is now a positive $4 billion. All this has helped in fact to strengthen us when we moved into a recession.

I am afraid the Speaker will not allow me to read it all, but I have a list three pages long of auto parts manufacturing firms in Ontario and Quebec, just to take those provinces which have expanded and added to their production since 1989.

* * *

IMMIGRATION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Deputy Prime Minister.

On May 30 in this House the Deputy Prime Minister said about the Mashat inquiry, and I would like to quote directly from *Hansard*: "all the witnesses they require and/or demand will be available to respond".

Yesterday, on the instructions of the government House leader, Conservative members blocked the appearance of witnesses we asked to have before that committee, in direct contradiction of the commitment made by the Deputy Prime Minister on May 30.

My question to the Deputy Prime Minister is as follows. Why did the government direct its members to frustrate the work of that committee and the democratic process? What is the government trying to hide?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, that allegation is absolutely false.

Hon. Lloyd Axworthy (Winnipeg South Centre): The government members shut down the committee. That is not false; that is a fact.

Some hon. members: Oh, oh.

Mr. Speaker: The hon. member for Winnipeg South Centre will put his question.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, if the government and the Deputy Prime Minister say they have nothing to hide, will the government—

Some hon. members: Question.

Mr. Axworthy (Winnipeg South Centre): Show a little patience. It is coming. Will the government establish a judicial inquiry where oaths can be taken, where a proper investigation of missing memoranda can be pursued and where there cannot be frustration of an inquiry by government members? Will he establish that kind of inquiry?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, let me just address if I can this business of the memo that has been raised from time to time.

• (1430)

The first thing is that yesterday the hon. member, with his colleagues, could not decide whether this was a secret or a top secret memo. It is a secret memo and not a top secret memo. This is something we take very seriously, but it means that it is not tracked in the same way as a top secret memo.

The departmental security officials are looking into the matter. There is no evidence of any criminality in terms of the fact that the original memo cannot be found even though copies were made available.

Let me also quote, if I may, the hon. member for Burnaby—Kingsway in terms of the committee's activity. He said: "Some Conservative members of the committee had suggested we hear from Allan Gotlieb, but I think Canadians expect us to report and to report soon on what went wrong on this and how Al-Mashat got into the country". The committee is made up of grown-up people. They are having a meeting tomorrow and they will make up their own minds.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Secretary of State for External Affairs.

On May 16, the secretary of state stood in this House and stated in reference to the public report on the Al-Mashat affair: "All the information regarding this situation is out and was made public. Ministers took the responsibility to ensure that the information went public and that that information to date has not been contradicted".

While the minister was out of the country the information was contradicted. We now know that there was no apology made by Raymond Chrétien as stated in the minister's public letter.

Will the minister now, before this House, correct the record?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, one of the things that truly amazes me about the opposition is that I have been Secretary of State for External Affairs since April 21 and I have not had one single question on an issue of substance. That includes the reasons I was out of the country, which was a NATO meeting in Copenhagen and a meeting of the Organization of American States in Santiago.

I would certainly welcome questions on the foreign policy of this country. It is too bad hon. members opposite have no interest in foreign policy. What they are interested in is trying to continue to find some kind of malfeasance, none of which has been forthcoming.

The bottom line on this is that ministers came to committee and they were open. The members opposite chose to walk out. We came forward with documents. The committee will make up its own mind about the evidence that has been put to them by Mr. Chrétien and others.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, we were asking the minister to correct incorrect information.

My supplementary question is for the same minister on the same issue. On May 15 the secretary of state in this House stated: "I think the report speaks for itself. The report goes into some considerable detail in a very precise form as to what happened during the process of this incident".

We now know that the minister's report tabled May 14 did not contain all the facts provided to them on May 13 by their own investigators and, indeed, that all the major players were not even interviewed before the report was made public.

Will the minister now apologize for issuing an incomplete and inaccurate report?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, it was neither incomplete nor inaccurate. If you look at the first report, there is no difference in substance between what came out on that first report and what came out subsequently.

As the hon. member knows, the first report was based on what the auditors could corroborate with written, documented evidence some time after the fact.

Now if there is some differences in memory on dates, there is still no change in substance. That was subsequently corrected at our initiative. We were the ones who went through it and made that marginally corrected version public.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, since we have not been able to put questions to the minister any further in committee, I want to ask the minister a question that arose from the evidence given recently concerning a fundamental issue of ministerial accountability.

The minister knows that her legislative assistant on April 8 informed the legislative assistant to the then Solicitor General about the entry of Al-Mashat into Canada.

Could the minister explain why it was that her legislative assistant apparently informed the legislative assistant to the Solicitor General on April 8 of her concern about this matter, yet according to the minister's evidence her own legislative assistant did not even bother talking to her about it until some time later. What is going on in the minister's department?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, on the day in question I was not in town.

My legislative assistant did the appropriate thing. He was seeking more information before he brought the matter to me. Let me point out that this was, once again, well after the fact.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, certainly her officials knew about this well before the fact.

An hon. member: You know the rules.

Mr. Robinson: They were the ones who were not fingered.

My supplementary question is for the chair of the standing committee on external affairs. Would the chair of the standing committee on external affairs, the hon. member for Don Valley West, explain to the House why it is that he and his Conservative colleagues refused to allow that committee to hear any further evidence from witnesses—

Mr. Speaker: I do not think that is in order. The hon. member for Burnaby—Kingsway may ask the chairman of the committee what it intends to do next or something like that, but that is a question which goes right into the heart of the committee. The hon. member may want to rephrase the question.

Mr. Robinson: Mr. Speaker, I will ask the chair of the standing committee if he could indicate what steps he and his Conservative colleagues are prepared to take to ensure that the committee is able to finish its work and call the witnesses who have to be called to get to the truth of this matter.

Mr. Speaker: The hon. member probably would have been in order if he had kept the question to what the chairman and the committee are going to do. That is a question that goes to something which is not solely a question for the committee acting as a committee.

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General.

Yesterday when I asked the Solicitor General why the RCMP had not been called to track down the whereabouts of the secret memo, he said: "Because I have not been asked to".

I have now formally asked both the Solicitor General and the Commissioner of the RCMP—

Some hon. members: Oh, oh.

Mr. Nunziata: —in writing to investigate the whereabouts of this particular memo.

Will the Solicitor General now give this House his undertaking that he will direct the RCMP to immediately investigate the whereabouts of the missing secret memo?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, no.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would now like to ask the government about its security policy with regard to breaches of security.

According to the policy of the Government of Canada, the loss of this particular secret memo constitutes a breach of security. The guidelines of this particular policy of the Government of Canada state that suspected breaches constituting criminal offences shall be reported to the appropriate law enforcement authorities. It goes on to say that a report should be made in writing 10 days after there is a breach of security. It also indicates the sanctions which must be applied.

My question is for the Government of Canada. In view of the fact that a secret memo went missing three months ago, can the government explain why the security policy which the government introduced in this House was not followed? In particular, can the government indicate why the RCMP was not notified and why sanctions were not applied to Mr. David Daubney?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, in my hon. friend's letter he claims: "I believe that there are reasonable and probable grounds that the loss of the document is deliberate".

• (1440)

I know of no section in the Criminal Code that prosecutes anyone for deliberate loss of a document. I would suggest to my hon. friend that the Canadian public expects the RCMP to go after real crimes, just as it expects its elected representatives to go after real issues. I will tell you, on this issue my hon. friend is not hitting the news in Orillia.

An hon. member: Have they stopped reading newspapers in Orillia?

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the President of the Privy Council. In the light of what the Solicitor General just said, the matter is indeed a serious one because if the document was deliberately lost it puts a different light on the matter.

I wish the minister would tell us in no uncertain terms, considering the fact that in the Watergate affair President Nixon lost 18 minutes of tapes: Did he lose the secret memo in the Al-Mashat affair? Can he tell the House today, without any hesitation, that the secret document was never in his attaché case?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, no and yes.

Hon. André Ouellet (Papineau—Saint-Michel): The minister admits that the secret document we are looking for, a document that would clarify a great deal and would undoubtedly exonerate the officials but put the blame on the ministers, was in the minister's attaché case.

Ms. Copps: That is what you just said.

Mr. Ouellet: That is what the minister just told us. I would ask the minister to tell us quite clearly whether he can say this document was not deliberately destroyed, either at the request of the minister or directly by one of his political associates.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Yes, Mr. Speaker, I can say that, which should end the discussion. Perhaps my French is not sufficiently clear, at least not to members on the other side of the House. However, if the hon. member looks at the "blues", he will see he asked two questions. My answer to the first question was no. The Liberal Party does not take Parliament seriously, but I do, and that settles that.

* * *

[*English*]

THE ENVIRONMENT

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, my question is for the Minister of the Environment who knows that lead leads to permanent and irreversible deterioration in the mental and physical abilities of children. Because lead's negative health effects far outweigh its benefits as a gasoline additive, the government severely curtailed its use in Canada in 1990.

Unfortunately those restrictions do not apply to the export of this toxic chemical, even though we know that lead poisons children.

Will the minister amend the gasoline regulations under the Canadian Environmental Protection Act to ensure that tetraethyl lead produced in Canada is exported only to those countries having environmental lead restrictions at least as stringent as our own?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I think the member related in his question that this government has effectively banned the use of lead in gasoline for cars as of December 1990. This represents, I think in the minds of all members of this House, a very important measure with respect to protecting the environment.

I will take his representation and maybe take this moment to advise him that the department will effectively examine the possibility of having import control mechanisms under the regulations of CEPA to deal with the export of such substances.

Mr. Len Taylor (The Battlefords—Meadow Lake): I have a supplementary question, Mr. Speaker.

It seems simple to me that if we ban a substance in Canada because of its negative and dire health effects, we cannot support the manufacture of that product for export.

I thank the minister for taking the representation and indicating that he is going to look into it. I wonder if at the same time he would consider ensuring that countries we do any exporting to adopt more improved, more stringent environmental health regulations similar to those in Canada.

Hon. Jean J. Charest (Minister of the Environment): To be quite precise, Mr. Speaker, the government did stop the use of this type of substance in gasoline in cars, which is the main use. There were a few minor exceptions to that.

In the case of farming equipment and of planes, the substance was not disallowed as such. Once again, I am very sympathetic to the point of view put forward by the member. We will examine this issue as rapidly as possible within the department.

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GRAIN ELEVATORS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, my question is directed to the Minister of Labour.

Grain elevator companies at the port of Vancouver have locked out workers in response to a contract dispute. The workers' contract expired some 18 months ago, illustrating the failure of the collective bargaining process.

On behalf of my rural colleagues and Canadian farmers, who will pay for the price of this industrial impasse? Will it be the farmer owned companies? Will it be the union? Or, will it be the farmers?

Is the minister able to respond?

Hon. Marcel Danis (Minister of Labour): First of all, I would like to thank my hon. friend for his continuing concern for the western farmers of Canada.

We are indeed very concerned about the serious nature of the walk-out in the Vancouver port. We are concerned because of the potential loss of sales for Canada. We are concerned about the general economic loss to western Canada. We are also concerned about the tremendous reputation Canada has had about delivery of grain.

For these reasons I sent yesterday to Vancouver my senior officials in the mediation and conciliation service. They are meeting right now as we speak with both parties in Vancouver. I expect a report from them later on today.

I would urge the parties to settle this through the normal practice of collective bargaining, but I can tell my hon. friend that if they do not the government will act.

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IMMIGRATION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

The minister's chief of staff, David Daubney, has publicly admitted that he not only received the missing March 8 secret memo but that he also read it. What is also clear is that David Daubney was the last person known to be in possession of the secret memo.

It is now lost, and we know that he did not tell his minister about it.

The guide book for public servants published by the Privy Council Office in 1990 states clearly: "Ministers are responsible to the House for everything that is done under their authority".

Will the minister accept responsibility for the negligence of his chief of staff?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I must say I appreciate that affirmation by a Liberal member of Parliament, that it is now known and accepted that the document was not passed to me. I assume that since the Liberal Party has now indicated that it is now known and accepted that the document was not passed to me that finishes the matter.

There have been questions raised about ministerial responsibility that I dealt within committee.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I asked very clearly if he would accept responsibility as the minister to this House for the negligence of his chief of staff, and he refuses to answer.

I ask my supplementary question. We know that the March 8 secret memo was forwarded to the minister's office in compliance with procedures put in place by Mr. Daubney and approved by the minister. The secret memo is now lost.

Will the minister at least accept responsibility for the incompetence of his own office procedures?

• (1450)

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I make it a habit of accepting responsibility that is mine in this House in accordance with the well-established practices of parliamentary tradition.

I would hope that a sense of parliamentary responsibility might show itself more evident—

Ms. Copps: You broke the habit, Joe. The word "lie".

Mr. Nunziata: What about your lie on television?

Mr. Clark (Yellowhead): I am asked in the words of the member for York South—Weston, repeated by the member for Hamilton East, about the word "lie". I wonder, Mr. Speaker, if you would ask them to withdraw that language.

Mr. Speaker: If the hon. members did make that allegation, I would expect that they would withdraw immediately.

Ms. Copps: I certainly withdraw.

Mr. Speaker: I think for the moment we shall continue. The hon. member for Fredericton—York—Sunbury.

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CITIZENSHIP

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, I have a question for the minister of multiculturalism and citizenship. This is a supplementary question to one I put to him two days ago.

In his response at that time the minister emphasized a commitment to the promotion of Canadian citizenship as a fundamental value of national unity. In that regard I believe that one of the most moving experiences for any MP has to be the citizenship ceremony for new Canadians.

Can such a confirmation and welcome to the rights and responsibilities of citizenship not also be made available to all Canadians, including those who are born here?

Is the minister prepared to consider ways by which a citizenship certificate may be presented to every Canadian child at the appropriate time in the grade school process?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, I agree entirely with the member's appraisal of the Citizenship Court ceremony and would encourage all members to attend such events.

The member has an excellent suggestion and I intend to meet with him very quickly to see what further information he can give me, as I am prepared to meet with other members of Parliament who have ideas on helping Canadians better understand how meaningful the process of citizenship is.

What a wonderful way to provide Canadian youth with a meaningful program of sensitization.

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IMMIGRATION

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

The minister will know that implicit in exercising his fiduciary obligations as a senior minister of the Crown is the issue of trust.

I would like to ask the Minister responsible for Constitutional Affairs if he would please explain to the House whether or not he has in fact destroyed the document, the secret memo of March 8, and, if not—

Some hon. members: Oh, oh.

An hon. member: What's wrong with that? It's a straightforward question.

Mr. Speaker: An hon. member said: "What's wrong with that? It's a straightforward question". It is also a straightforward allegation. I ask the hon. member to put his question more appropriately.

Mr. Dingwall: Would the minister explain to the House whether or not he has destroyed the document or whether he has misled or exercised gross negligence—

Some hon. members: Oh, oh.

Mr. Speaker: That question is just a disguised outright charge. The hon. minister may wish to reply.

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, the answer is neither. To make it absolutely clear to the House—and I say this as a member of Parliament and as someone who I think has earned a reputation for integrity in the country—I take the opportunity to advise the House—

Ms. Copps: You used to love it.

Mr. Clark (Yellowhead): If the member for Hamilton East will be quiet enough for a moment to let me answer—

Mr. Simmons: You're a snake.

Some hon. members: Oh, oh.

Some hon. members: Shame.

An hon. member: Order.

Mr. Speaker: Perhaps the right hon. minister could finish his reply.

Mr. Clark (Yellowhead): I take the opportunity to advise the House that I first became aware of the document when I was in Iqaluit or in the Northwest Territories. I affirm that on my reputation as someone who has served in the public life of this country for 20 years and as a member of this House.

I have not seen it. I did not order anything done with it. I did not know it existed until after the controversy had become public. In any fair and honest place, that would end this matter.

Some hon. members: Hear, hear.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, a senior minister of the cabinet has responded in the negative on both counts.

Would he explain to Canadians from coast to coast, but in particularly members of this House, why the Minister responsible for Constitutional Affairs has waited in excess of three months and has done absolutely nothing to track down the secret memo of March 8? Why the inordinate delay in trying to find the memo? What is the minister trying to hide?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I think one thing is clear to Canadians from coast to coast, and it is that I have some very sensitive and onerous responsibilities given my responsibility for constitutional affairs. If this controversy is deliberately prolonged without reason, that could affect my ability to undertake those responsibilities.

Mr. Dingwall: Answer the question. You are prolonging the controversy.

Some hon. members: Oh, oh.

Mr. Speaker: I should say to the right hon. minister that the question was pointed, but nonetheless I would like the right hon. minister to answer the question.

Mr. Clark (Yellowhead): Mr. Speaker, I think most Canadians would hope that there are some limits to partisanship in this House and even on this issue.

With respect to the particular question, the hon. House leader of the Official Opposition, an officer of this House, knows that responsibility for tracing a document once it became known that it was lost would rest with the minister at the time. He knows that I was not the minister at the time.

The question was put to me deliberately. The question was put to me with malice aforethought. I am answering the question to make it clear that was a matter on which I could not take action for well-known constitutional reasons after I was no longer Secretary of State for External Affairs.

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ORAL QUESTION PERIOD

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the chairman of the Standing Committee on House Management. This seems like a very appropriate day to put the question.

Several members including myself have made points of order regarding absolute consistent breaching of very clear rules of Question Period outlined in the annotated Standing Orders, No. 37, and Beauchesne's citations 409 and 410.

Is the committee on House management going to address these points of order? Would it consider a motion that all members of Parliament follow all the rules all of the time?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I can confirm to the hon. member that the House management committee has looked at the issue of Question Period and the performance of members on both sides of the House in Question Period.

We have not yet come to a consensus. We will continue to work on the issue, and I hope that we as a committee can put some semblance of rationality back into this institution to give us some credibility with Canadians.

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• (1500)

[*Translation*]

COMMUNICATIONS

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, my question is directed to the Minister of Communications.

In October 1990, Copyright Board Canada set the royalties for cablevision. As a result of this decision, Quebecers now have to pay $11.8 million in royalties, 85 per cent of which go to the United States and Americans.

Now we all know that Quebecers do not watch U.S. television or at least very little, and in any case a lot less than English Canada. Mr. Speaker, as you know, French language television in Quebec needs those millions of dollars very badly.

How does the minister intend to react to the report tabled by the Quebec Minister of Communications in November 1990, because while people are looking at studies all those millions are going to the United States?

[*English*]

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, my hon. friend is a little bit late. Two days ago I made the announcement before the Canadian Cable TV Association that my colleague, the Minister of Consumer and Corporate Affairs, and I would be issuing guidelines which would be helpful in terms of resolving the issue.

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PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of the Presidential Committee from the Republic of Botswana, led by the Hon. Archie Mogwe, Minister of Mineral Resources and Water Affairs.

Some hon. members: Hear, hear.

* * *

THE LATE SENATOR DAVID CROLL

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to inform the House that Senator David Croll passed away yesterday, and I would like to pay tribute to a great Canadian.

This man devoted all his life to public life. He was from a minority group and had to struggle in the 1930s to get elected. He managed to attain very high offices in our land. He was Mayor of Windsor. He was the first person of the Jewish faith to become a member of the Ontario cabinet and the first one to become a senator.

I had the privilege to serve in the caucus of the Liberal Party with Senator Croll for more than a quarter of a century. He was an extremely impressive person. Senator Croll had only one preoccupation and it was to defend those who were defenceless in our society. It was to fight for those who needed the help of other Canadians. He was a promoter of all the social programs that we are so proud of today, and he had been a promoter of these programs since the 1920s and 1930s.

Senator Croll always said that in a country like Canada nobody should go to bed hungry, nobody should be homeless, nobody should suffer, because there is enough in this country to provide a decent living for any human being.

[*Translation*]

Senator Croll was one of those reformers who left their mark on this country. He was elected to public office as a very young man. He was mayor, minister and senator. However, the focus of his contribution was always to defend the rights of the neediest in our society.

As a political party, there have been times when we were unsure about the path we should take and every time we had doubts, when the Liberal Party was somewhat disoriented, Senator Croll would rise and tell us what to do. One of his principles was always to give the weakest members of our society the benefit of the doubt. He was a great Liberal. He was a great teacher for us all

in this House. I think his sudden departure will be a great loss not only for my party but for the Senate and the entire country as well. There have been very few politicians of his moral calibre.

[*English*]

There is nothing Canada cannot do and do best. We have to do it when we can stand proud, remembering that there are those who have received less and those who have been put aside because of either faith, colour, sex or other differences because in Canada we are all equal.

What is important in human beings is always the human being itself. David Croll had almost been a father to me and many others, because whenever we were in doubt, and I was many times in my career, we asked David Croll what to do.

He always said: "You have to be on the side of those who need help, on the side of justice and dignity". This man has made a great mark on Canada, and I would like to offer his family our condolences. I hope there will be many more David Crolls in Canadian society in the years to come.

Some hon. members: Hear, hear.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I too would like to pay tribute to Senator David Croll on behalf of my party and on behalf of those of us in my community in Toronto who were admirers of the late senator.

He was, like many distinguished Canadians, not born in Canada. He came here from Moscow. He grew up and was educated here to have a distinguished career among us.

He was the first Jewish cabinet minister, the first Jewish senator in Canada, and within those offices he contributed vitally.

He also was a member of the Canadian army. He joined in 1939 and went to war for Canada. He joined as a private and retired at the end of the war as a colonel. He was a man of great courage, vision and distinction. I think that all of us in this House will miss the presence and the historical contribution that he has made.

Let me join the hon. Leader of the Opposition in hoping that there will be many more of his stature who will choose to serve in public life.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, we also want to join with our Liberal and Conservative colleagues in paying tribute to Senator David Croll, the dean of the Senate who passed away at the age of 91 years.

I remember when I was first elected to this House and after being here a couple of years, in 1971 he issued a report on poverty. He was the chairman of the Senate Committee on Poverty. His report was very revealing about the situation at that time. It made many recommendations about helping poor people in this country.

He was a man of tremendous dedication to a cause. It is important that we think of Senator Croll and remember in him that he had a cause. He had a purpose to be in public life, and he was in public life in many different capacities.

He started as mayor of Windsor in 1930. Later he became a member of the provincial parliament in Ontario. He was a cabinet minister with two or three different portfolios and in 1945 he was a member of Parliament for the federal riding of Toronto—Spadina. In 1955 he was appointed as a senator for the province of Ontario.

[*Translation*]

He was a great Canadian and a great democrat. He was an example to all of us here in the House, to those in the other place and to all Canadians.

On behalf of my party I wish to offer my condolences to his family and friends.

Hon. Jean Lapierre (Shefford): Mr. Speaker, during the 10 years or more that I was in the Liberal caucus, there were certain people who made an impression on us, and I think Senator David Croll was one of those people. Few politicians are perpetual idealists. Many of us become cynical over time, but I believe Senator Croll was a perpetual idealist. He had not the slightest trace of opportunism or political self-interest. He always acted according to his principles, especially where defending human dignity was concerned. Very few politicians earn the respect of all members of this House. I think Senator Croll led the way for many of us who believe in philosophy and human dignity. I wish to extend our condolences to his family, and I hope he will remain a guide for us all.

[*English*]

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I would like to say what an immense privilege it has been for me to have been in Parliament and in the Liberal caucus with David Croll.

I will not review in detail the highlights of his career. Others have done that. Certainly we will be hearing more in the coming days.

• (1510)

I would like to mention that in 1971 at the age of 71 he chaired the Senate Committee on Poverty and recommended the implementation of a guaranteed annual income for all families and individuals. He said later it is the only way to give people the minimum living standards to which they are entitled.

What I really want to talk about is what it was like to hear David Croll speak. He was a gentle man with a sparkle in his eye. He spoke softly, but with such power. Every time he spoke, the room would fall silent. People would listen because they knew that he had something important to say. He always spoke about the needs of the elderly, the poor, the sick and how we had an obligation to respond to their interests.

[*Translation*]

I had a special affinity to and affection for David Croll. He was born on March 12, 1900, at the turn of the century, and my father was born on January 1, 1900. There was a certain similarity in the way they talked.

[*English*]

I would like to express my sympathies to the members of Senator Croll's family. We will remember him for a long, long, long time and we will honour ourselves if we can dedicate ourselves to fight for the ideals and the principles that David Croll stood for.

Hon. Herb Gray (Windsor West): So much of the life of Senator David Croll was connected with the city of Windsor, and part of his provincial riding of Windsor—Walkerville is located within my Windsor West riding. Therefore you will understand why I want to rise and for a minute or two say something by way of tribute to the late Senator Croll.

He was always to the end of his days a strong voice for social justice, a strong voice for people in need, the elderly, the pensioners, the handicapped and the poor.

It is remarkable that he passed away after a full active day in his work as a senator, and I am sure he looked forward to being in our Liberal caucus this morning. He was always the first to arrive there. I must say it will not be the same coming to our caucus and not seeing Senator Croll already there to take part in the work of our caucus. When he took part in the work of our caucus he was always a progressive voice, a voice of reform and a voice of liberalism, both big and small *l*, in the best sense of the term.

I am sure his point of view, his attitudes, reflected his experience as an immigrant child who came with his family to Windsor from eastern Europe. I am sure his views, his attitudes, reflected very much the values of his Jewish heritage. I am sure they also reflected the concerns of the Windsor area, a city of hard working people from all over the world who came together in Windsor to build better lives for themselves and their families.

Dave Croll always worked for equality, fairness and reform. Mayor of Windsor at only 30 years of age, he helped his city to get through the devastation of the recession. His work in bringing together the former border cities created the city of Windsor as it is today.

His work as a member of the provincial legislature and as a member of the provincial cabinet did much to help the province get through the troubles and travails of the Great Depression of the thirties.

You will recall that as a member of the provincial legislature and as a cabinet minister, he helped establish in the province of Ontario basic programs of labour standards and social welfare which are the foundations of many of the programs of which we are so proud today.

Dave Croll always put the people first.

This was shown by what he said when he resigned from the Ontario cabinet because he did not agree with the views of his premier on the organization of workers in the trade unions. He said that he "would rather walk with the workers than ride with General Motors".

A recent biography of Dave Croll is entitled *The People's Senator*. Before he was the people's senator he was the people's member of Parliament from Toronto, the people's member of the legislature, the people's cabinet minister and the people's mayor of Windsor. Windsor has always been proud of Dave Croll and Windsor will always be proud of him. The city was, as I have said, so much a part of his life and his career.

I want to express my deepest sympathy to his family, his brother and his daughters. I want to say to this House that the greatest and strongest way we have of honouring the memory of Dave Croll is to ensure that the ideals for which he stood will continue to inspire all of us who seek to serve the public interest in this House and everywhere in Canada.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I would like to state a few words because Senator Croll, when he was a member of this place, represented the riding of which I am now the representative. This man was a different kind of senator when one recalls that he spent his last day as an 11-hour day. That indicates the devotion that he had to this place. He was so much a symbol of Windsor. His imprint upon Windsor was exceedingly strong. It was strong among those who were poor. It was strong among those who worked for a living. It was exceedingly strong among those of us of many ethnic and racial groups in Windsor who looked for a voice of equality.

We will all miss him, but we will not lose what he gave us in Windsor and that is a character of generosity and care which he brought to this place as well.

I would like to express on behalf of my community and my party our condolences to the family and we share their sorrow in this loss.

* * *

POINT OF ORDER

QUESTION PERIOD

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I just want to bring to the attention of the House an infraction of Standing Order 37 today during Question Period and also Beauchesne's citations 409 and 410. Citation 409 reads:

> A preamble need not exceed one carefully drawn sentence—A supplementary question should need no preamble.

Citation 410 reads:

> Supplementary questions should flow from the answers of Ministers.

Point of Order

I just want to register my feeling that this rule was broken again today.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to say something about this point of order. I want to draw to the attention of the Chair that what the hon. member cites in Beauchesne's as being rules are not rules at all. They are guidelines that individual Speakers announced to inform the House as to how they would view Question Period.

It is entirely, under our rules, within the discretion of yourself, Sir, having been elected by the House with full authority in that regard, to act fairly with respect to Question Period.

I for one have full confidence in your ability to do that without the daily efforts of certain members opposite to try and create a case which does not stand on the facts about what Question Period ever was in this House, especially when the other side now in government was in opposition.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, all I would like to say is that I think we are all aware and it has been clear to us in many, many quarters that the public which watches this institution holds us in disrespect as a result of what it sees. I think what it sees is Question Period and what it sees about Question Period does not cause the public to have the respect for this institution it needs to have.

In that context, I think the answer of the chairman of the management committee that this is being looked at in an all-party committee in terms of what we can do to regain the respect of the public is a good suggestion and we ought to let that happen.

• (1520)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on behalf of my party I want to say that we respect the decisions you make every day during Question Period. With regard to the opposition side as well as the government side, from time to time you see that it is appropriate to intervene and direct members of Parliament in either their questions or their answers. I consider this daily intervention to be a questioning of

your ability and your decision. I think it is perfectly clear, Mr. Speaker, that you do the best you can to run this place as businesslike as possible.

I want to suggest to my hon. friend, the government House leader, that I do not think people are fed up with Parliament. I think people are fed up with the government and the fact that the government is ignoring the concerns of Canadians, whether on the GST, the free trade agreement or whatever.

I consider this type of an intervention a direct challenge to the way that you have managed the House on our behalf. I think it is very, very inappropriate.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise on the same point of order which was raised by my colleague from Nova Scotia concerning the appropriateness of the way Question Period is conducted in this House. I would have to concur with the sentiments expressed by my colleague the House leader for the New Democratic Party that this continual assault each and every day by government members concerning the propriety of Question Period really is a questioning of the judgment of the Chair.

We have complete confidence that the Chair will conduct the affairs of this House in accordance with the rules and in accordance with the traditions of this House. For the government House leader to continually say that the problem is that all members of Parliament are held in disrespect, I suggest that perhaps the hon. member is continuing to look in the mirror all too often.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA ELECTIONS ACT

TABLING OF FEDERAL ELECTIONS FEES TARIFF

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, on behalf of the President of the Privy Council and Prime Minister responsible for Constitutional Affairs, I would like to table three documents.

The first document is tabled under section 198 of the Canada Elections Act. Attached, in both official languages, are copies of the Federal Elections Fees Tariff, the Northwest Territories Elections Fees Tariff and the Special Voting Rules General Elections Fees Tariff.

In accordance with the said act, I would ask you to make the necessary arrangements to have these documents laid before the House of Commons immediately.

* * *

NORTHERN PIPELINE AGENCY

TABLING OF REPORTS

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I wish to table the second document, pursuant to section 72 of the Access to Information Act and the Privacy Act. We are tabling, in both official languages, copies of the reports of the Northern Pipeline Agency for the period ended March 31, 1991.

I would ask you to make the necessary arrangements to have these reports laid before the House of Commons immediately.

* * *

PUBLIC SERVICE STAFF RELATIONS BOARD

TABLING OF EIGHTH ANNUAL REPORT

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council and Minister responsible for Constitutional Affairs): Finally, Mr. Speaker, I would like to table the third document, pursuant to section 72 of the Access to Information Act.

We are tabling, in both official languages, a copy of the eight annual report of the Public Service Staff Relations Board for the period ended March 31, 1991.

In accordance with the said act, we ask you to make the necessary arrangements to have this report laid before the House of Commons immediately.

[*English*]

JUSTICE AND THE SOLICITOR GENERAL

FIRST REPORT OF THE STANDING COMMITTEE

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Justice and the Solicitor General.

This report, unanimously adopted, is on the evaluation of the detention provisions and recommends 16 amendments to the government. Pursuant to Standing Order 109, the committee requests a comprehensive response from the government to this report within 150 days.

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

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DEBT SERVICING AND REDUCTION ACCOUNT ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved for leave to introduce Bill C-21, an act relating to the accounting of certain payments for servicing and reduction of debt of Canada.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

NATIONAL DEFENCE AND VETERANS AFFAIRS

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons) moved:

That the Standing Committee on National Defence and Veterans Affairs be authorized to travel to Toronto on June 18 and 19 in order to visit the Sunnybrook Health Science Centre and that the necessary staff do accompany the committee.

Motion agreed to.

* * *

POINT OF ORDER

COMMISSIONER OF OFFICIAL LANGUAGES

Mr. Nelson A. Riis (Kamloops): I rise on a point of order, Mr. Speaker, regarding the official languages legislation.

Section 49 says: "A commissioner shall be appointed under the great seal after approval by the appointment of a resolution of the Senate and the House of Commons".

We are all aware that the Commissioner of Official Languages will put in his last day this Friday. As of Saturday, we will not have a Commissioner of Official Languages.

I want to ask my good friend, the government House leader: Does the government plan to bring in a motion before Friday, or will there be a period of time before we actually have agreed on a motion appointing a new commissioner?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I cannot give the hon. member the precise date on which that will be done, but it will be done soon, Mr. Speaker.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, could the government House leader just indicate to the House, perhaps elaborate if he would, what degree of consultations will be taking place with regard to this appointment?

The Commissioner of Official Languages, as the hon. member knows, is an officer of this House. I believe the tradition of this House has been that there would be meaningful consultations with the respective parties concerning this appointment.

Mr. Andre: I do not want to have to speak on the precise details, but it may well be that the travel plans of both the Prime Minister and the Leader of the Opposition have made it difficult to have those consultations, but I know they are intended to be held.

* * *

PETITIONS

THE BURNING TIMES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, pursuant to Standing Order 36 I have the honour to table petitions signed by 200 Canadians who are opposed to their tax dollars being used to fund and distribute the National Film Board's production of the anti-Catholic and historically inaccurate film *The Burning Times*. Through the presentation of historical inaccuracies and commentary entirely biased against and hostile to the

Catholic Church, the film attempts to foster hatred and misunderstanding of the Catholic religion.

The petitioners therefore humbly pray and call upon Parliament to request the film *The Burning Times* be withdrawn from circulation and the National Film Board publicly apologize to Catholics.

BALTIC STATES

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, this petition is signed by 150 Canadians.

Whereas Canada has never recognized the forcible annexation of Lithuania, Latvia and Estonia into the Soviet Union, and whereas the Government of Lithuania has responded with an urgent appeal for the immediate support of all democratic countries to protect independence, democracy and freedom in Lithuania, Estonia and Latvia, the petitioners call upon Parliament to immediately recognize and establish diplomatic relations with the legitimate, democratically elected Government of the Republic of Lithuania.

• (1530)

The petitioners demand further that the Soviet Union withdraw all its military forces from Estonia, Latvia and Lithuania and that unconditional and international aid to the Soviet Union in the form of credit and feed grains be conditional upon the withdrawal of Soviet troops from the Baltic states and resolution of the Baltic crisis.

REQUEST FOR NATIONAL PRIDE WEEK

Mr. Bob Horner (Mississauga West): Mr. Speaker, I have the honour to present a petition from the staff and students of the Streetsville Secondary School with 880 signatures who hereby declare their pride in Canada.

They perceive a growing lack of pride in the Canadian population. Therefore, they call upon Parliament to declare a national pride week. The purpose would be to encourage all Canadians and organizations within schools to celebrate the history, achievements and potential that is Canada.

Pursuant to Standing Order 36, the petition is certified correct as to form and content.

COMMEMORATIVE STAMP

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition pursuant to Standing Order 36. It is correct as to form and content.

People from the Ottawa community would like to signify that in their opinion Marie Sklodowska Curie must be honoured for her scientific contributions to humanity.

They also believe that because Marie Sklodowska Curie discovered radium, was twice awarded the Nobel Prize and was the first woman to win a place in the history of science she deserves to be recognized by Canada.

They believe that this Polish woman, who was a servant of mankind and a scientist who fame could not corrupt, has been honoured by many different countries of the world and should be honoured by Canada. This House should humbly pray and call upon Canada Post to honour Marie Sklodowska Curie by issuing a commemorative stamp on the occasion of the 125th anniversary of her birth, November 7, 1992.

WAGE CONTROLS

Mr. George S. Rideout (Moncton): Mr. Speaker, pursuant to Standing Order 36, it is a pleasure for me to present a petition from the residents of Moncton and North Bay, Ontario.

The petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I have a petition pursuant to Standing Order 36.

The petition is from 125 residents of many areas: Smiths Falls, Nepean, Ottawa, Greely, Kanata, Gloucester, Orleans, Hull, Almonte, Richmond, Vars, Gatineau, Aylmer, Stittsville and Cornwall. It is with regard to the Conservative government's intention to impose a freeze on federal Public Service wage increases for fiscal year 1991–92.

The petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

COMMEMORATIVE STAMP

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, it is my pleasure to present a petition to the House which is signed by a number of residents from the greater Vancouver area.

These residents believe that a great woman, Madam Marie Curie, must be honoured for her scientific contributions to humanity and the gift of the discovery of radium and the application of that gift for the healing of the sick throughout the world.

The petitioners feel she needs to be recognized at this time by Canada. As we well know, Madam Curie was the discoverer of radium and has been twice awarded the

Nobel Prize. She is the first woman to win a place in the history of science.

The petitioners are calling on Canada Post to honour Madam Curie by issuing a commemorative stamp on the occasion of the 125th anniversary of her birth which occurred on November 7, 1992.

ROYAL CANADIAN MOUNTED POLICE

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I have some 14 petitions with approximately 600 names of residents throughout the Okanagan—Shuswap, the communities of Sicamous, Tappen, Salmon Arm, Lunby, Celista, Enderby, Grindrod, Sorrento and Eagle Bay.

The petitioners are calling upon the government to reconsider its position in terms of the plans for the government to reduce its share of funding for RCMP services in communities throughout British Columbia.

They are asking for the government to restore the proper levels of funding in the ongoing negotiations as they proceed.

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have the honour to present a petition signed by hundreds of residents of cities and towns throughout Canada, including a number of students, staff and faculty of St. Francis Xavier University in Nova Scotia.

The petitioners wrote that in October 1985 the subcommittee on equality rights of the Standing Committee on Justice and Legal Affairs submitted a unanimous report to the House recommending that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas of federal jurisdiction.

They note further that in March 1986, over five years ago, the government accepted the report and its recommendations and said it would implement the report.

Finally, they note that the government has yet to introduce this important amendment, despite urging by the Canadian Human Rights Commission and others. Therefore, they urge the government to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my honour to present a petition on behalf of a number of constituents from Kamloops and the surrounding communities. They are concerned that the government is intending to cut back on financial support for the Royal Canadian Mounted Police. They acknowledge the fact that has been put on hold for at least 12 months but are encouraging the government to continue with its full support of the Royal Canadian Mounted Police to ensure that police protection is maintained throughout the area.

CANADIAN BROADCASTING CORPORATION

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is my pleasure to present a petition pursuant to Standing Order 36 from a number of respected residents of Osoyoos, British Columbia.

These residents state that the tools for building a better Canada have been abandoned. Important national institutions have been underfunded and then privatized. This government has cut CBC funding by $140 million over the last four years, resulting in 1,200 job losses and the closing of 10 regional stations in Calgary, Corner Brook, Goose Bay, Sydney, Sept-Iles, Toronto, Saskatoon, Windsor, as well as other areas.

The petitioners are urging Parliament to consider restoring proper funding to the CBC so that it can fulfil its mandate and its role as the heartbeat of Canada. Parliament must re-examine this government's priorities in terms of decreasing funding for Canadian institutions and its insistence on privatization.

QUESTIONS ON THE ORDER PAPER

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Milliken: Mr. Speaker, I rise with reluctance. I know the parliamentary secretary does his best, but there is a question of mine on the Order Paper, No. 17, dated May 13. The government House leader may find this amusing but it is not.

This question in fact has been on the Order Paper since February 25. It was put on in the last session and I asked for a response within 45 days. More than 45 days elapsed in the last session. The government did not get around to answering it.

The question deals with the expenditures the government made for the purpose of getting the hon. member for Lac-Saint-Jean elected before they realized that he was in fact useless for their purposes. They spent a lot of money. The question asks for details on the expenditures, which programs that were promised were cancelled, which ones went ahead and how much was spent on each of the promises that the government made in that constituency.

This information cannot be difficult for the government to come up with. It has had months and months and months to do so and, with respect, I plead with the parliamentary secretary to crack the whip on the people who are supposed to be providing him with these answers. I know it is not his department, but surely to goodness this kind of question should not be left and this kind of negligence allowed to continue.

I know the government has trouble keeping track of papers and documents, but surely the answer to this question was prepared in the last Parliament and could be found and provided to the House on an expeditious basis.

Mr. Cooper: Mr. Speaker, I want to thank the hon. member for bringing this matter to my attention. I want to advise him that it was my intention yesterday to check into the very matter he raises but, as he may well know, Peter Gzowski had a very important tournament on illiteracy in this country and there were members on his side, myself included, who went out to support that cause. As a result I will have to check into that today.

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1540)

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—MINISTERIAL RESPONSIBILITY

Hon. Lloyd Axworthy (Winnipeg South Centre) moved:

That this House affirm that Ministers are individually and collectively responsible to the House of Commons for the activities of government including the management and conduct of the Public Service; that, individually, Ministers are responsible for the administration of the decisions of the Government and the activities of Public Servants falling under their jurisdiction; and that, collectively, they are responsible for the decisions of the Government as a whole and the activities of their colleagues.

He said: Mr. Speaker, on May 8 press reports detailed how a former Iraqi ambassador to Washington by the name of Al-Mashat was given quick and accelerated access into Canada, apparently circumventing a number of the required procedures under the Immigration Act. It raised many questions about how preference and priority are afforded to special guests of the government.

Since that time the issue has become much bigger, much more serious, much more critical than the mere entry of Al-Mashat into Canada. In many ways it has gone to the very heart of accountability and responsibility of a parliamentary system of government. It has questioned the very credibility of several senior ministers of the present government. It has gone to the question of how trust and confidence, veracity and honesty have to be the currency of this House, and not a debased currency as is so often the case and as we have seen in the last three weeks.

Even today we saw the Minister responsible for Constitutional Affairs complaining, perhaps whining, that this discussion and inquiry has hurt his own credibility; as if it was the responsibility of the opposition, as if it was the opposition that was responsible for ducking, bobbing, weaving, and evading its responsibility.

It was an attempt one more time to deflect the responsibility for a serious decision which no one had the guts, the courage, the sense of ethics, or parliamentary morality to stand up and take responsibility for.

I was recently reading a comment made by Malcolm Fraser, the Australian Prime Minister in 1982, which I thought would be good advice for members opposite to take. He said: "This government has always upheld the fundamental principle of ministerial responsibility" and "the appearance and reality of integrity are indispensable parts of our system of government". Integrity and responsibility are indispensable parts of our system of government, one that we share with the Australians.

In all the thousands of words that have been exchanged I have never yet once heard any member on the opposite side understand or admit that integrity and responsibility are an indispensable part of our system of government. If they had admitted it we would have had a very different story. We would have had a very different chronology of events. We would have had ministers standing up and saying: "Yes, Al-Mashat came in. I take responsibility for it. If you do not like it, what are you going to do about it?" In other words, defending the actions of the government.

Instead, we have had deflection, hiding, and evasion. Perhaps the most smarmy move of all was trying to take a couple of public servants and put them before the public saying: "They are the ones who caused the problem. It is their error in judgment, not ours".

Let us get down to facts. Let us deal with the specifics of the issue. First, let us deal with the former Secretary of State for External Affairs, the present minister of constitutional affairs who keeps saying: "I see no evil, hear no evil. I didn't know anything about it, had no responsibility. Don't touch me, I can't be held responsible for anything. After all it was only a decision made by my chief of staff, the person whom I appointed, the person I put into place, not a public servant, not some anonymous foreign service officer way off in Ankara or Vienna but the person who has offices right next to mine". Yet he said he had no responsibility. That is a distortion of a fundamental principle of ministerial responsibility.

To compound the error, that minister, along with others, says: "It was the Associate Under-Secretary of State for External Affairs who did not inform me".

We even heard from the under-Secretary. It appears that in fact he was informed according to the procedures set out by the minister himself. It was not a matter of the Associate Under-Secretary forgetting. He did not say: "I am not going to tell the minister". He instructed a senior civil servant, the head of the Security Division of External Affairs, to write a memo detailing that Al-Mashat had been turned down as a defector and was now being considered as a possible retiree.

That memorandum went to the major departmental clerk of the minister's office who registered it. It came in an envelope marked secret, had a tab snapped on under red wax. It went from there to the office of a chief of staff who admits that he read it, but then he cannot recall what happened to it. All of a sudden he was struck with a fit of amnesia that has lasted for three months.

Actually, maybe the minister responsible is the minister of health and welfare. Maybe it is that he has not undertaken a major health inspection of all departmental assistants, all executive assistants, all chiefs of staffs and all ministers of the Crown who seem to have been struck by a mass epidemic of amnesia on the government side. All we heard in the testimony was: "I can't recall. I can't remember. I wasn't there. I don't know. I am not sure".

The fact of the matter is that the minister of constitutional affairs does bear full responsibility in terms of what goes on in his office.

I will take him at his word. He stood up in Parliament today and said: "I did not see it". We cannot dispute the word of a member.

At the same time it does beg a real question as to what happened to the memo. Does anybody in this entire country believe that a memo marked "Secret" sent under the proper procedures in the Department of External Affairs, which is probably the most self-conscious department in the entire country about security

matters, all of a sudden just vanishes overnight? It just sort of flutters away.

No such thing happened to it. That security memo is somewhere, but this government has made no effort to find it. It has not made any. I make this additional allegation, charge and submission to the government. If it is trying to defend the performance and activity of individual ministers, how is it possible to do so when there has been no real effort to call in the RCMP to properly investigate what happened to the memo or who is responsible for it?

When there was a small budget leak that a reporter from Global Television, Doug Small, received, half the legions of the RCMP were scouring the country looking for it.

When members of the opposition are sent a brown envelope and it arrives at their desk with some kind of government document within 24 hours the RCMP is in our office saying: "How did you get hold of that?"

The government goes to extraordinary lengths to change its typewritten cabinet documents and secret documents so it can trace them. However, all of a sudden in this one case there is a cavalier, casual approach.

The present minister of external affairs says: "I don't know. I have been away. I don't know". This is a minister who is operating in a total fit of absence and is not fulfilling her responsibility to find that document so that we can find out what is the truth.

I just heard the parliamentary secretary say: "We have it". Once again, another big lie. Once again, another piece of mythology. Once again, we are engaging in propaganda because that parliamentary secretary knows full well that the original had disappeared and he knows the original—

Mr. Friesen: I think it would be proper, and I think the member knows that he has to withdraw the remark that he has just made. If he wants to keep it parliamentary, he ought to withdraw that remark.

• (1550)

The Acting Speaker (Mr. Paproski): I do not think he called anybody a liar. I think he made a statement. Carry on. I will look at the "blues".

If the hon. member, who has been here for as long as many of us have and in fact longer, feels that he has gone beyond what he should be saying here in the House then I know he will withdraw it.

Mr. Axworthy (Winnipeg South Centre): Certainly look at the "blues". What I was saying was that this government, day after day, attempts to manufacture new concoctions about what went on.

The parliamentary secretary is attempting to intimate that we have the document when he knows full well the original document has disappeared and that original document has stamped on it who received it and how it was used. If there is going to be any apology it should be from that parliamentary secretary who is directly responsible for shutting down the committee of inquiry by saying he refused to answer any questions.

Knowing that hon. member, I know we will not get an apology. I know when the apology will come. It will be the day when he has to face his electorate back in his own riding. It is going to demand the ultimate apology, which is the fact that will put him into permanent retirement.

Let us go on to the second case of ministerial responsibility. I want to cite very clearly the circumstances and the events that we know about.

Once it was discovered that Al-Mashat was in the country and it became public, the entire government geared into massive damage control.

We know that on May 13, there was a meeting held of senior cabinet ministers, including the minister of external affairs, the former Solicitor General, the Minister of Employment and Immigration, the minister for constitutional affairs, the Clerk of the Privy Council and the principal secretary to the Prime Minister. Did they get together to talk about, as we keep hearing, admonitions from the minister of external affairs to get down to the substance?

Did they get together to talk about what was happening in Kuwait or to the Kurdish refugees? No. They were planning on how they could issue a report that would be laundered and cleansed, and would carefully, selectively take the information which had been given to them by the pubic service auditors and refine it into a more acceptable document, missing key points, key facts, key elements and ingredients.

Those very same ministers had the unmitigated nerve and gall to come before the public on May 14 and say: "This is a complete document and it has all the facts,

everything you need to know. Nothing more needs to be said".

The very day before this high level committee of ministers and senior officials had spent its time whiting out the important parts, twisting the words, rewriting and regauging. To compound the problem once again, it engaged in what I can only call an act of political extortion. The committee wrote into that report apologies or confessions for Mr. Raymond Chrétien, the Associate Under-Secretary and for Mr. Daubney, even though neither of those two gentlemen had ever been asked if they were prepared to apologize. They had never been given the opportunity to give their side of the case to that committee. This committee was a star chamber, a kangaroo court. It is running people out on a rail.

Once it was revealed, once that information came to light and we knew that a senior group of ministers and officials had engaged in this kind of political concoction, not one of them had the guts or the courage to stand in the House and apologize to the individuals involved for ruining their reputations. In fact those ministers and officials gloated over it.

The minister of external affairs in a press conference said: "Of course this is going to undermine their reputation". There are several people whose reputations have been undermined. It is not the Associate Under-Secretary. It is the minister of external affairs, the minister for constitutional affairs and the Minister of Employment and Immigration. That is really where the crux of this whole issue lies.

One does not have to take my word for it.

Let me just read, if I may for a few moments, the comments of other people who have had some serious and distinguished experience in government. Mr. Al Johnson, who was a former deputy minister, in a May 23 article in *The Citizen*, said: "The pick and choose approach to ministerial responsibility is lunacy. Ministers would be free to choose what they would accept responsibility for; everything that went well, of course, they would agree with; anything that went wrong it was the civil servants to blame".

Let me also cite the judgment of Judge Lieff in the Goyer case in 1978: "It is a long-standing convention of parliamentary democracy and the doctrine of ministerial responsibility which encompasses it that civil servants are to remain faceless to the public. A minister should not be able to blame or castigate personally any civil servant or department under his control".

We then come to a third authority, and this is an authority I hope the government will listen to because it was the authority cited *ad nauseam* by the minister of external affairs. Professor Kenneth Kernaghan, on the whole concept of ministerial responsibility, said: "In the event of maladministration by department officials, the conventions of both ministerial responsibility and political neutrality require that ministers protect the anonymity of the wrongdoers by declining to identify them publicly".

He goes on to explain that also the burden of proof is on the ministers to be responsible.

Let me also quote once again from J. R. Mallory who was the authority cited by the minister of external affairs as taking away her obligation to be accountable: "A minister alone is accountable for the policy of his department; the civil servant cannot be called to account for policy statements or his actions". That was J. R. Mallory, one of the distinguished political scientists.

The reason why it is important that this House face this issue and come to grips with it, and why members of both sides of the House must support this motion is in recognition of the damage that has been done. Until we reassert this fundamental principle of responsibility there is going to be a continued undermining of the confidence of the Public Service of this country. Officials in external affairs will never again be able to trust their minister after she railroaded one of their senior officials into the kind of public ignominy that she was responsible for.

All public servants across Canada are right now saying to themselves: "I am not taking the responsibility. I am not making the decision because I am going to be hung out to dry by those ministers".

That is one reason why this House must reaffirm this principle. We must also reaffirm confidence in the way that this government works because we see time and time again ministers evading the truth, not detailing the facts, blaming other people, and fingering public servants. We are all talking about this scepticism. The throne speech said in such eloquent words that we must restore belief in the parliamentary system. I can think of no more serious erosion to the parliamentary system

than what has been constituted by these ministers not taking responsibility and accountability for their actions. That is where the real responsibility lies. That is when confidence is undermined; when ministers get up in this House and play deaf and dumb to their own responsibilities. That is not the way to conduct oneself.

Over the years this government has been on a wrecking crusade. It has undermined the CBC. It has undermined our public transportation system. It undermined the economy of this country and people are paying a heavy price for it. Now, not satisfied with ripping apart the economic and social fabric of Canada, it is trying to undermine the Parliament of Canada and the very system which we are all sworn to defend and protect.

Until we can reaffirm what is important to it and until we can say to Canadians very clearly that we are going to try to rebuild that system and show ministers who are elected to take accountability, that the buck stops at their desk and not at somebody else's desk, there will not be confidence in this system of government and there will not be confidence that people can be governed with honesty, truth and veracity.

The government shut down the parliamentary inquiry probably because we are getting too close to the truth. It can redeem itself by having a judicial inquiry where it is not subject to parliamentary majorities, so that there can be oaths of office, so that there can be proper investigation, so that we can get a kind of real insight.

If the government is not prepared to do that there is another way. I would like to cite the comments of Lord Carrington, a distinguished British minister and former Secretary of State for External Affairs.

• (1600)

The Acting Speaker (Mr. Paproski): The hon. member's time has expired. He will require unanimous consent to continue. Is it agreed?

Some hon. members: No.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, would the hon. member please give us the citation that he was about to read?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I thank the hon. member for Hamilton East for the courtesy which is denied me by the members on the government side.

I would like to read the statement made by Lord Carrington in his autobiography. He said: "The nation feels that there has been a disgrace. Someone must have been to blame. The disgrace must be purged. The person to purge it should be the minister in charge".

I would think that it would be good advice that the present minister of constitutional affairs and the Minister of Employment and Immigration should take to heart. Where there is a disgrace, it should be purged. It can only be purged by the minister in charge.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I want to remind the member here, and we will all keep in mind, that we will look at the "blues" to make sure that when we get them and check them the member will withdraw that statement.

I want to come, first of all, to the whole harangue about the secret memo of which he has a copy, and all the members of his party who were on the committee have a copy, and the member for Burnaby—Kingsway has a copy. It is a secret memo, of which the press all has copies.

Ms. Copps: Where is the original?

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): I would like to hear the comments and the question put. I cannot do it if there are going to be exchanges from across the floor.

Mr. Friesen: All these members have the opportunity of getting copies of that memo. They persist in talking about the secret memo that is missing. It is true the original is missing, after all the copies were made.

Could they tell the difference between one copy or another? Bring in the RCMP with the Xerox machines.

Ms. Copps: I thought you were a lawyer.

Mr. Friesen: No, I am not. I am clean.

Could they tell with modern technology the difference between the original and the copy? I doubt that they could.

This member began his address by inveighing against what he called the quick and accelerated access to Canada that Mr. Al-Mashat had. He talked about the special access and the high dudgeon, synthetic outrage that this member had against that particular process.

I want to take this member back a few years when there was real reason to express outrage. I take him back to *Hansard*, page 2646 of July 8, 1980, when he was minister of immigration. I have raised this before, and the member already knows what is coming.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. Paproski): Again I would like to say to the hon. member for Scarborough West that I cannot hear if there is going to be yelling across the aisle. I would like to hear what the comment and question are. I may have to rule on something he is saying, so please.

Mr. Friesen: Mr. Speaker, these are the ones who believe in free speech but shout down others who want to speak.

Mr. Gauthier: Be reasonable. I want to ask questions too.

Mr. Friesen: Okay. You will get your shot. You want to hear about Guiseppe Calamusa again, don't you? The member was asked about the special treatment of what we could call the quick and accelerated access, the special access that this member when he was minister of immigration gave to one Giuseppe Calamusa who moved from Niagara Falls to Winnipeg, presumably to be a little closer to the minister's office at that time so he could get quick and accelerated access to Canada.

Let me give you the credentials of this individual. He was asked about the record: high and upstanding. He had three criminal records in the former country where he lived. He was helped along, incidentally, by the member's campaign worker, who had given him lodging for that quick and easy access to Canada. When he was asked about deportation, here is what the minister said: "The procedure is to allow those who are given a deportation order", very carefully chosen words, "to be given a permit so that they can then present it upon re-entry".

Since when could somebody under deportation order come back into the country? That is the most fundamental rule, that people under deportation do not come back to Canada. This member not only gave him a permit to come back in, he provided immigration officers to ride in a government car to Emerson, Manitoba, do the loop around Emerson, do the re-entry and come back into Canada. And this is the man who is so offended that Al-Mashat had quick and easy access. Nothing but synthetic outrage from this man. After that kind of a record, how could he object to another man coming into Canada through the special access, the quick and accelerated access?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I am very pleased that the hon. member is a student of history because I think he should learn something from that incident.

First, let us get the facts straight. I remember the case very well. The member quoted somewhat selectively, just as his ministers do in the Al-Mashat case. What he did not mention is that the Calamusa family also had a child who was near death and could only get treatment in Canada and that under the Immigration Act, the minister is obliged to give a permit in matters of humanitarian or compassionate means. Otherwise the child might have died. The only way they could have got the treatment was to have them stay in Canada and demonstrate if they would become good Canadian citizens, which, by the way, they have now become. I am glad to report that as far as I know he still owns and operates a bakery and is providing employment for several Canadians.

But, here is the difference: I made that decision as the minister of immigration and I got up in the House of Commons and took full responsibility for that decision. I did not hide. I did not duck. I did not evade. I took all the heat that that member could give, which was not very much, because he is not capable of generating much intellectual heat in anything. But I took full responsibility and I did not try to duck and hide like his ministers did. I accepted ministerial responsibility. That is the difference.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to hear more about this case. I think the hon. member is putting a red herring here. I want to hear the member for Winnipeg South Centre tell us more about this case that he had to deal with.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, very clearly, there was a case which was transferred to me by the Department of Immigration with a number of recommendations on it dealing with the judgment that had to be made as to whether this gentleman, who had a large family of six children all of whom had been born in Canada, would be allowed to stay or be asked to leave.

We received differing opinions as happens with most immigration case, from security, from medical officers, and it came down to, and hopefully I will get back to the germane, responsibility.

After considering all the evidence, after taking the memo from my civil servant, directly by the way, not being screened by some assistant or chief of staff, but looking at it directly according to my own lights and taking it and pondering on it, I decided to let the family stay under a short-term permit to allow the child to have treatment and to determine if the family was then able to begin to establish its bona fides in Canada, to show its proper citizenship. They could have been sent back any time under that permit if they had not showed that.

Fortunately it was a good judgment call. Of course the real deciding factor, the real difference in all those immigration cases, is that I was prepared to come into this House every single day and take my responsibility for them. If the opposition did not want to help a child who was ill to get proper treatment that was its business, but I took that decision and I am proud of it.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker I remember that case. The individual in question had a criminal record, had been deported and had come back illegally.

• (1610)

There was no doubt that the overwhelming opinion of officials was that he should not be permitted in Canada because of his criminal record. The minister of immigration put him in a car, took him down. He says he did it for the right reasons. That could be, but for him to get indignant about special privilege in this case, considering what he did in that case, is a little bit—shall we say—questionable.

The motion today says:

> That this House affirm that Ministers are individually and collectively responsible to the House of Commons for the activities of the government.

In fact we do not disagree with the motion, but we are going to have to vote against it because this is a question of competence.

I wonder what the hon. member's former leader had to say about ministerial responsibility. I quote from *Hansard* of March 2, 1983 when we had the famous Gillespie case. As a matter of fact the member for Surrey-White Rock-South Langley brought to the attention of the House the quotes from the then Prime Minister, Mr. Trudeau, who said in *Hansard* on page 22938:

> Yes, Madam Speaker, we are collectively responsible for the policies of this government. . . The government as a whole is not collectively responsible for some individual agreement—

Then Mr. Trudeau went on to say:

> However, one could not condemn the whole government for some act of an individual unless the whole government itself had been part of the decision, much as on the other side of the House, if one Tory Member behaves illegally the whole caucus does not stand condemned.

Ah, ha, what about collective ministerial responsibility, Mr. Trudeau? No, no, no, you cannot condemn the whole government unless the whole government participated in the decision. Then Mr. Trudeau said:

> If the Hon. Member is talking about the meaning of responsible government, literally, it means that the Government of the day is responsible to Parliament and can only continue exercising its powers with the authority of Parliament, that is, with the support of the majority of the Members of Parliament. That is what responsible government means.

Nothing more, nothing less, according to Mr. Trudeau. Then the Parliamentary Secretary to the Minister of State for Economic Development at the time, Mr. Jim Peterson—who is now back in the House—said in a late show debate on March 15, 1983, quoting the Prime Minister:

> —the Prime Minister said: "If someone acts improperly in such circumstances, it is not the whole Government that is acting. If a Minister is acting improperly or illegally, he has to be taken to task. However, one could not condemn the whole Government for some act by an individual, unless the whole Government itself had been part of the decision".

Yet we have a motion and screaming and yelling from the hon. member opposite that the ministers are individually and collectively responsible for Al-Mashat. His former leader said absolutely nothing. That is absolutely absurd. I believe he supported his former leader at that time. I do not know if he still does. Going on to quote Mr. Trudeau:

> —literally, it means that the Government of the day is responsible to Parliament and can only continue exercising its powers with the authority of Parliament—

Nothing more than that.

> The Government does not accept responsibility for an error of judgment or bad administration by one of its members. The process of Government compels a delegation of authority. The Cabinet must leave to each Minister a substantial discretion as to what matters he will bring before it. If he makes a mistake, then he must accept the personal responsibility.

That quote is attributed to Sir Ivor Jennings, who Mr. Peterson said was the leading authority on responsible government in the 20th century.

It is interesting how perspectives on responsibility seem to change with time.

The New Democrats have been a part of this exercise. Let us hear what the premier of Ontario had to say about ministerial responsibility. Speaking about the Farnan affair, Mr. Rae is quoted in an article by Chris Hall in *The Ottawa Citizen* as saying: "Let's put some context here. The opposition talks about ministerial responsibility. I've looked into the precedents and there isn't a case that I can find in the last 50 years where a minister was expected to take the rap, the fall, because something was done without him knowing it. Hmmm, interesting how the standards change, depending on where you are and who the target is".

Let us not go any further than the McGrath committee report, which was endorsed by this House. It was an all-party committee. The hon. member for Papineau signed the report. Everybody agreed to it.

Ms. Copps: It was never adopted.

Mr. Andre: It was adopted by this House. The hon. member for Hamilton East says it was never adopted. She is skating backward. She is saying the hon. member for Papineau was not speaking for the Liberal Party then; he lost his head; he went out to lunch. He probably believed that Mr. Trudeau was right when he said those things. That is probably why. However, in the report it says: "The idea of a minister being responsible for everything that goes on in the department may once have been realistic, but it has long since ceased to be so. A minister cannot possibly know everything that is going on in a department. The doctrine of ministerial accountability undermines the potential for genuine accountability on the part of the person who ought to be accountable, the senior officer of the department".

My goodness, how times change. This was a wonderful doctrine in 1985 when all parties in the House agreed to it. Now it is an outrage, an insult, and something we must abandon.

Ms. Copps: You don't even know what you are talking about.

Mr. Andre: Yes, it was. It was a report put forward by the House to which the government responded and accepted the recommendation flowing from it. There was not one word of opposition from her party. She knows it.

Ms. Copps: It was not. That's a lie.

Mr. Andre: She says: "That's a lie". I would like her to quote one word of opposition anywhere because I have gone through the minutes. She knows she is wrong and she is caught out.

Part of the minutes of the McGrath committee report, interestingly enough, discuss this question of ministerial responsibility selectively, but I would like to quote from the committee proceedings of February 7, 1985, page 612.

Mr. Harvard: That is some kind of archaeological dig.

Mr. Andre: It talked about Doug Fisher, the columnist, who appeared before the committee and said: "Last Friday on my television program Gordon Robertson said the whole idea of ministerial responsibility is outmoded".

I think he is right. He said we had to start holding—

Mr. Harvard: Some kind of archaeologist. I will never learn from Doug Fisher.

Mr. Andre: Just a minute. Listen to this, John Harvard. You may learn something.

He said we had to start holding public servants accountable.

Mr. Harvard: I will never learn from Doug Fisher.

Mr. Andre: You're right. You can't learn anything. You need to have some intelligence to do that.

He is quoting Gordon Robertson, so if you would keep your mouth shut you might hear what I am saying.

What does that mean for you? Anyway, I think the case has proven that what we have here is an abundance of dual standards, to avoid using the word that starts with an *h* that describes this thing. We have dual standards. On the one hand the Liberals and the New Democratic Parties say the thing is outmoded. We agree with this.

The Fascists over there are trying to shout me down. That is typical of their approach. They do not like the message so they try to shout me down, the brown shirts in the Liberal Party.

Ms. Copps: A Fascist I am not and I want that withdrawn right now.

Mr. Andre: I have no trouble withdrawing it if she will promise me she will keep her mouth shut so I can finish my address. Prove to me I was wrong in my assertion; she is behaving like one.

Ms. Copps: Mr. Speaker, I object strenuously to the term Fascist and I want an unequivocal withdrawal, right now, right here and now.

Mr. Andre: Mr. Speaker, seriously, this is a very important fundamental principle we are discussing, the principle of ministerial responsibility. It underlines our system of responsible government.

Recent events of which we in this House are all aware have given rise to considerable comment from members of Parliament, the public, the press, about the nature and practice of this principle. Indeed, the motion which we are debating shows that interest in this principle is alive and well in this Parliament, as it should be. I would note, however, that some of the comments on ministerial responsibility which we have heard and read in recent weeks have contained some misconceptions about the principle that have undoubtedly confused rather than clarified how it is applied in Canada.

I am pleased, therefore, to participate today in this debate and set out for the House, and through it for the Canadian public, the key elements of this fundamental principle of our democratic system of government.

I wish first to address the motion itself. On the face of it, it is a very straightforward motion calling upon members of Parliament to announce their support for the doctrine of ministerial responsibility. The vehicle being used, as has been conceded by the Liberal Party opposite in another supply motion earlier this year, the medicare one, is a non-confidence motion. Were it to pass, it would require the government to resign. We can hardly expect this as a straightforward attempt on the part of the Liberal Party to encourage non-partisan all-party support for the principles underlying this doctrine to which this government has adhered faithfully in recent events.

Let me therefore set out for the House the nature and elements of this doctrine.

Ministers exercise powers bestowed upon them by the Crown in Parliament and hold office at the pleasure of the Crown. The exercise of these powers for which ministers are constitutionally responsible to Parliament provides the foundation of responsible government.

The concentration of responsibility in the hands of ministers reflects the fundamental democratic principle that the power of the state must be exercised under the authority of elected officials accountable to the representatives of the electorate.

This enables Parliament to focus responsibility for the conduct of government on those of its members who hold ministerial office and who ultimately must personally answer to Parliament and hence to the electorate for their actions and the actions of their subordinates. Collectively ministers are responsible for the decisions of the government as a whole and the activities of all of their colleagues, even though Mr. Trudeau did not agree with that. This is the cement of our system of government. Although collective responsibility unlike individual responsibility is conventional rather than legal, it is fashioned through means that serve to make more effective the exercise of individual responsibility.

• (1620)

In this manner the constitutional responsibility of ministers, both individually and collectively, enables Parliament to satisfy itself that power is exercised responsibly through the system of government.

The direct responsibility of ministers to Parliament on a day-to-day basis is the essential strength of our system. The essence of the doctrine is that ministers, and only ministers, answer to the House for the way in which the authority conferred on them has been exercised.

The principles of responsibility, the concentration of the Crown's power in the hands of ministers and the subjection of ministerial power to parliamentary control reinforce the responsibility of ministers, requiring them to be in a position to assure the House that they are exercising powers responsibly.

Ministers fulfil their responsibilities and are called to account by the House of Commons for the exercise of their statutory authority in accordance with practice and convention. From the origins of our system, however, political circumstances rather than literal application of the principle of ministerial responsibility have governed the answerability of ministers. As Professor J. R. Mallory has noted, the minister has a political responsibility.

Ministers are responsible for all the actions taken under their authority. Although it is true that the degree to which they are required to answer for the actions of officials will depend upon the political circumstances and whether an official has, for example, acted in a clearly unacceptable manner of which the minister had no knowledge, the fact remains that the minister is constitutionally responsible. This is essential in determining who answers for what and to whom in the system.

Accountability in the system derives directly from the responsibility of ministers. Ministers answer before Parliament and are challenged to defend the way in which they or their officials have exercised the power that is made legitimate my their constitutional responsibility as ministers.

Some hon. members: Oh, oh.

Mr. Andre: I see the brown shirts over there are still trying to yell me down.

Parliament expects and requires that ministers are responsible and enjoys ready access to ministers for the purpose of holding them answerable.

Deputy ministers derive almost all their authority from ministers. They advise ministers and administer the programs carried out under the statutory authority exercised by ministers. They are loyal to their ministers and are required to actively support and participate in the policy and administrative decisions taken by ministers individually and collectively. Put simply, deputy ministers are responsible to ministers.

Officials are not, of course, constitutionally responsible, but they play and have played a role *vis-à-vis* Parliament that in some important respects compliments the role of ministers. Although officials do not have constitutional responsibility or share the responsibility of their ministers, they do share to a degree in the answerability of their ministers to Parliament.

They support ministers in answering to committees of the House provided this does not draw officials into partisan controversy or undermine the authority and responsibility of ministers. This role of officials has been enhanced and strengthened by the McGrath report which recommended that public servants be made available to parliamentary committees. The government stated at that time that it supported this recommendation, and recent events have borne out our commitment in this regard.

The concentration of responsibility in the hands of ministers is the bedrock of parliamentary government. It is, however, a matter of observation that the government is a large administrative enterprise. It is not a modern phenomenon that ministers cannot know everything that is under their authority. The phenomenon is merely more acute today than it was a century ago, and not prima facie proof of the irrelevance of ministerial responsibility. Ministers spend much of their time providing information to Parliament, indicating a need for the minister's ability to answer and provide information to be shared without, however, sharing his or her responsibility.

The essential elements of the doctrine of ministerial responsibility, therefore, are that: Power flows from the Crown and is exercised by ministers who are responsible to Parliament. Ministers are responsible for the actions of their officials, whether they had prior knowledge of them or not. Officials advise ministers and they are accountable to ministers.

When an error is made of which the minister is unaware, the minister acts to establish the facts, correct the error and satisfy himself or herself that it will not reoccur. The minister informs the House of the action taken.

I note that all the precedents at the federal level in Canada and Canadian authorities support this interpretation of the doctrine.

Professor Kenneth Kernaghan has noted it is almost universally accepted that it is unreasonable to hold a minister personally responsible in the form of resignation for the administrative failings of subordinates.

The usual practice is that the minister informs Parliament that the fault lies with his officials, and he promises that the offenders will be disciplined and their mistakes corrected.

Despite frequent calls by opposition parties for ministerial resignations on the grounds of actual or alleged departmental mismanagement, in practice ministers in Canada do not resign as penance for administrative bungling in their departments. They never have in this country.

Professors S. E. Finer and Geoffrey Marshall, leading British authorities, sum up the doctrine of practice of ministerial responsibility as follows:

> When we speak of minister's individual responsibility we merely mean that, for every act or neglect on the part of civil servants, some minister or other is charged to explain in the Houses of Parliament: and that only ministers may do so.

Mr. Milliken: They do not; they refuse to answer.

Mr. Andre: The hon. member knows that is not true and I wish he would quit interrupting. He will have his opportunity.

The Acting Speaker (Mr. Paproski): There will be a time for questions and comments if the hon. minister will be able to finish in another four minutes.

Mr. Andre: Mr. Marshall said:

> When action is taken of which a minister disapproves and of which he has not prior knowledge, there is no obligation on his part to endorse it, to defend the errors of his officers, or to resign.

There is not a single case since Confederation of a minister resigning because of an error of an official.

Applying the doctrine to the facts of the Al-Mashat case, I would note the following: Ministers did not know anything of the Al-Mashat affair until after Mr. Al-Mashat had entered Canada legally. That has been accepted by everybody. When they were informed, they took full responsibility by acting to establish the facts.

Mr. Milliken: To accuse other people.

Mr. Andre: There he goes again. The brown shirts are in action again. They will not allow me to speak.

When the facts were established, they took appropriate action to ensure there would be no repetition and sought an apology from those involved. Ministers informed the House of how they had fulfilled their responsibilities.

Given the ministers' commitment to a thorough investigation and to make the facts public, and given the findings of the investigation and the nature of the report flowing therefrom, it became inevitable that the identity of the officials principally involved would become public.

I have spoken at some length on the doctrine of ministerial—here we go again; they do not like—

Mr. Milliken: Mr. Speaker, the hon. member keeps protesting he is being shouted down and yet we have sat here listening patiently for quite a long time. I want to remind him, since he is so keen on citing Beauchesne's and the authorities therein, of citation 473, and I would ask the Chair to bear this in mind:

> While it has frequently been ruled that in addressing the House a Member must not read from a written, previously prepared speech, Members have traditionally been allowed to make use of extensive notes when speaking.

I hate to say it, but I think the minister is reading verbatim from this and I ask you to draw his attention to the—

The Acting Speaker (Mr. Paproski): I think those are selective notes. I would like to hear the government House leader. He has two minutes.

Mr. Andre: I do not understand. I sat here and listened to a lot of what I felt was pretty outrageous from the spokesman for his party. I wonder why it cannot extend the normal courtesy of allowing me to complete my remarks without interruption, barracking, shouting and yelling, but that seems to be the approach of the other side; if you do not like the message of the other side, shout it down, and this is all for responsible government.

When we talked about it in terms of the decorum and how people watching must feel about this, we get accused of there somehow being ill motives behind it. When I sit here and watch this going on I feel guilty about the sums of money we as parliamentarians collect from the citizens.

I have spoken for some time on the doctrine of ministerial responsibility and its direct application to the facts of the case that have risen to this debate in the House. I have set out the doctrine as it currently applies in Canada and I have demonstrated how ministers of this government have acted in accordance to its elements in the Al-Mashat case.

I wish I could be confident that hon. members would recognize—there is the talking, empty head from Winnipeg again.

The facts in this case are pretty clear for anybody who wants to see them. Phone calls were made to Mr. Raymond Chrétien. He started Al-Mashat on the fast track. He did not inform his minister. The ministers did not become aware of his being fast-tracked until after he came into Canada.

• (1630)

Some hon. members: What about the memo?

Mr. Andre: The memo they are talking about they had copies of as soon as they asked for it. I will let you in on a secret. A Xerox machine makes an exact copy. The original and the copy are the same. They know what is in the memo. They are simply off on a witch-hunt.

We agree with the substance of the motion but we have to vote against it because it is a confidence motion. I would remind members of what their former leader, Mr. Trudeau, had to say. I would refer them to citations in *Hansard*. I wish that they would recognize that sometimes a little bit of integrity and consistency and a little less high dudgeon and outrage, when in fact they have no basis for that high dudgeon and outrage, would better suit the country. There are important issues facing the country. Whether the Xerox in this case produced an exact copy or not is hardly an issue.

The former minister of immigration, who fast-tracked people by putting them in ministerial cars and driving them to North Dakota, is screaming in outrage about special treatment for Al-Mashat. This case did not involve ministers bending the rules as was done in his case.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, first of all I have a comment—

An hon. member: Will it be brief?

Mr. Gauthier: Yes, it will be brief.

The subject before the House today deals with ministerial responsibility—

[*English*]

The Acting Speaker (Mr. Paproski): Please, I would like to hear the questions and comments of the hon. member for Ottawa-Vanier.

[*Translation*]

Mr. Gauthier: I will be very brief, Mr. Speaker. There are two important aspects to the question before us today. Ministerial responsibility implies administrative responsibility. In the McGrath report we all read in chapter I and following: "Ministers are held responsible for their actions and their department". They are also held responsible for the administration of that department. In the speech he just made, the minister confirmed that his opinion was not any different.

We have before us a motion that simply states a fundamental principle of Canadian democracy. I would ask the minister: Does he not think it is going a bit too far to say that this motion calls for a confidence vote? He knows what McGrath had to say about this. I will read it to him if he likes, but I do not have time so I will refer him to page 10 which gives an excellent explanation of the problem. There are five or six very clear resolutions that say that once the electorate has spoken and when the government in power has a majority, the government should not use the question of confidence to try to get rid of a motion which in fact, is an excellent motion in favour of ministerial responsibility. Again I ask him: Why does he keep causing us this kind of grief in the House?

[*English*]

Mr. Andre: Mr. Speaker, we have dealt with that already at least a couple of times this session. These opposition days are a replacement for the traditional way in which Parliaments held governments to account, which was by challenging the appropriations bill. It was introduced by the Hon. Donald Macdonald when he was House leader for the Liberal Party. The traditional way was replaced by opposition days, a number of which could have votes attached to them which are considered

confidence motions because of what they are a surrogate for, namely votes on the appropriations bill.

As I indicated earlier, I think we should look at it. I have asked the management committee to look at it. However, those are the rules that the Liberal Party imposed in 1969 and they are still part of our system. They may well be outdated, and I agree they probably are, but those are the rules that we have at this point in time. Until they are changed we are obliged to follow them.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the previous speaker mentioned this memo, Xerox machines and various things like this. I want to make a comment and then ask the minister and the House leader a very specific question.

The original of the memorandum of March 8 we know for a fact was sent from External Affairs in the usual course, as demanded by the minister who is now the minister for constitutional affairs, taken into his office and given to one of his staff. That person literally walked it into the office of the chief of staff of the then minister of external affairs and brought it to the attention of the secretary of the chief of staff. The chief of staff admits receiving it, the chief of staff admits reading it, that is the chief of staff chosen by the then minister of external affairs.

The chief of staff, the person who was the right-hand man to the minister of external affairs at that time, saw the document, saw the original, had the original in his hands. It has disappeared. The minister has stated categorically, and we accept the minister's word as we do all hon. members, that he never saw the memorandum. It is clear that his right-hand man did not bring it to his attention. This was at a time at least two weeks before Al-Mashat came into this country.

Is it such an unreasonable proposition to ask that in those circumstances the minister take responsibility for the negligence of his chief of staff in failing to bring that memorandum to his attention? Is that so unreasonable?

Mr. Andre: He spoke of the memo of March 8. He will know that the memo was dated March 8 but did not reach the minister's office until March 14. I think he agrees with that fact. He nods in consent.

It is interesting. How come it took six days? We cannot blame it on Canada Post. However, in any event those facts are true. The former Secretary of State for External Affairs was upset because he was at this very time in the Middle East meeting with leaders of the Middle East countries. He was understandably upset that he was not told by his senior deputy minister, by the deputy minister who initiated this memo, about this fact because it could have come up and been an embarrassment to the Secretary of State for External Affairs.

The principal secretary, chief of staff to the Secretary of State for External Affairs, has testified before committee that he does not know what happened to it, that he did not recognize it for its importance because it was not flagged, it was not identified, that there was nothing on it that said "the minister must see this" or any such thing.

He recognized that perhaps he should have taken the initiative and done it anyway. That is one of the reasons for the apology.

Subsequent to that, as the hon. member knows, there was a cabinet shuffle. Undoubtedly there were conversations going on between the Secretary of State for External Affairs and the Prime Minister in that regard. There would have been preparations; there were some changes of offices. In any event the document was a pretty common kind of document. Yes, it was marked "secret" but I get press clippings marked "secret". If it is something that is really important in terms of national security, it is given a much higher confidence category. The memo was in the machine, if you will, in the computer. There are many copies of the memo. It is available. Everybody sees it. It is not the kind of thing that would be treated as though we were dealing with state secrets.

It contained information that was not to be released to the press immediately. However, it was not a secret document challenging the security of the country for which the RCMP should be brought in.

That is probably the explanation. The Secretary of State for External Affairs, the current one, says it cannot be found. That is hardly relevant however because if you

want another copy, if you have lost yours, we will just turn on the word processor and generate one.

Mr. Blaine A. Thacker (Lethbridge): Mr. Speaker, I have a comment that is more a question for the opposition because I am absolutely convinced that if government members voted for this motion they would be calling for the defeat of the government. This is one of the days declared to be votable, and that is under our procedures. That is why we have to vote against it even though we agree in substance.

I have not been following this debate too closely. However I have not heard any members talk about the Supreme Court decision. There is a Supreme Court decision, as I recollect, on this issue called the Bhatnager case. Does that not impact upon this ministerial responsibility? Has the committee been briefed on that? The Bhatnager case is the supreme law of the country.

Mr. Andre: I do not know whether the committee has been briefed on it but the hon. member is right. That situation arose as a result of a court order requiring certain actions of the government.

• (1640)

There were charges laid that the minister of immigration and the then Secretary of State for External Affairs were cited for contempt for the failure of their officials to comply with that court order.

Their officials did not comply with it. They were charged with contempt of court. A Federal Court of Appeal found them guilty in that regard. It went to the Supreme Court and the Supreme Court found them not guilty, saying that they could not be held responsible for the failure of their officials to act on the court order.

If that is true, and that is a decision of the Supreme Court, it is certainly equally true that they cannot be held responsible for an act of commission or omission by officials. The member for Winnipeg South Centre nods his head.

He invokes higher moral authority but the Supreme Court has said this. Incidentally this is similar to what his former leader said. If he will not believe the Supreme Court, will he believe Pierre Trudeau? Is he going to continue to take the politically opportune as opposed—

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I regret that in the period of time allocated to questions and comments that it was not possible to ask a question of the minister. I had risen to do that.

I am pleased that this House has an opportunity to debate this very important issue. I am particularly pleased that the House has the opportunity to debate this issue because unfortunately as a result of the strong-arm tactics of the members of the Conservative Party on the external affairs committee that committee is not able to do the job that originally was assigned to it, which was to get to the truth in this matter.

Unfortunately at this point the only option we have is to raise questions on the floor of this House.

The Parliamentary Secretary to the Secretary of State for External Affairs asked this House to look back in *Hansard*. He asked this House to look back at earlier events, and I want to reply to the Parliamentary Secretary to the Secretary of State for External Affairs and say: "Yes, I am prepared to look back in *Hansard* at previous events".

I want to remind that member and government members opposite of what took place in this House 15 years ago, almost 15 years ago to the day.

In June 1976 a Liberal cabinet minister, Jean-Pierre Goyer, had blamed a senior bureaucrat for a bungled deal to buy military aircraft. He was a fellow named Stopforth and was one of his senior bureaucrats.

The minister stood up and said: "No, no, it was not my responsibility. It was the senior bureaucrat's responsibility". What was the response at that time by members of the Conservative Party who were then in opposition, including the member for Surrey-White Rock-South Langley? What did he have to say about it at that time? I have the *Hansard* here that the member referred to earlier.

What did the member for Yellowhead, who was then the Leader of the Opposition say about this attempt to pass the buck to civil servants? He said that his question arose out of the attempt by the minister to transfer blame for this government's gross incompetence in the Lockheed affair to a middle ranking civil servant. He said

it was shameful to try to pass that blame to a middle ranking civil servant.

The Conservative defence critic, Allan McKinnon, accused the minister of "trying to blame his own incompetence and lack of supervision on his subordinates".

It is interesting that when it is in opposition the Conservative Party is prepared to stand and defend public servants. When it is in government, what does it do? It engages in the sleaziest form of buck passing in an attempt to avoid its own responsibility in allowing Mohamed Al-Mashat to enter the country.

There is a double standard, and I think Canadians recognize very clearly that double standard.

I want to take a couple of minutes first of all to just put this question in context. The member for Winnipeg South Centre certainly did that in the course of his comments with respect to what took place before Al-Mashat got into the country, but also with respect to what took place afterward.

I think many Canadians are asking themselves two fundamental questions. How did the guy get into the country in the first place without any minister knowing? Second, what is this absurd, dangerous and destructive spectacle that we have seen in this country of ministers trying to cover up their own responsibility, trying to doctor documents, seeing documents disappearing and extorting confessions from public servants? There are two issues here. There is the original question of how this guy got into the country, but there is also the very fundamental question that members on the Conservative side of this House are refusing to allow the committee to deal with, the question of ministerial accountability.

Certainly the motion which is before the House merely reaffirms a principle which the Secretary of State for External Affairs set out as representing the policy of the Government of Canada in an appearance before the committee on May 30. In fact it quotes from that statement verbatim.

How is it that members of the Conservative Party now are going to vote against that statement which purports to represent the policy of this government? We are told by the government House leader that somehow the government will fall if they support this statement. The government members, including the government House leader in 1986, supported the McGrath report. What did the McGrath report have to say about questions of confidence on supply days?

It said that confidence on supply days was a question for the government to consider and that the motion is only a question of confidence if the government declares it to be a question of confidence. This nonsense that somehow the government is going to collapse, is going to fall if it reaffirms this principle of ministerial accountability, should not be accepted by this House.

At the conclusion of my remarks I will move an amendment to this motion that will make it very clear that by supporting the motion before the House, members of the House are not in any way considering a lack of confidence in the government. Not by supporting this motion alone. Certainly there are many other reasons for voting lack of confidence in this government, but it will not be able to say that voting for this motion represents that.

I want to look at the question of ministerial accountability. I want to look at the role that ministers have played in this process. Before doing that, I think it is also important to put this question in the context of what has happened here and the anger that Canadians feel and have felt since May 7 or 8, when they first learned that something had gone very wrong, that Mohammed Al-Mashat, the former Iraqi Ambassador to the United States, had not only been allowed to immigrate to Canada but had been given the royal treatment, the red carpet treatment.

We know that he had friends in high places. Apparently Allan Gotlieb and John Godfrey, and who knows who else, made representations to senior government officials urging that Al-Mashat be allowed into the country. We know only too well of the record of Al-Mashat. We know, for example, that when he was Ambassador of Iraq in the United Kingdom he actively encouraged a young reporter for *The London Observer*, Farzard Bazoft, to make visits to Iraq. After Mr. Bazoft had been arrested in Iraq and falsely charged with espionage, and many countries around the world including Canada con-

demned that, we know that Al-Mashat denounced him as a spy. He found the secret trial and the hanging of Bazoft thoroughly justifiable.

We know that this man was an important member of the ruling Ba'ath party. We know that he justified the holding of what he called "guests", hostages, including innocent Canadians during the period leading up to the war. We know of this man's record. We have to ask ourselves why it was that, despite this record, this man was given the red carpet treatment. What deals were made, for example, between the American State Department, American intelligence agencies and Canada, to allow this man to get the royal treatment, this special treatment?

This is particularly offensive to Canadians who, in many cases, have struggled with the bureaucracy of the department of immigration themselves for two, three or four years, seeking to be reunited with their families, with their loved ones. When they see this kind of thing happening, they are angry and they ask who is responsible and they see ministers running for cover.

Refugees who have waited in this country for fair treatment have, in some cases, out of desperation, committed suicide. Others ask themselves: why is Al-Mashat getting special treatment, when at the same time there is a system in which refugees are being denied justice. They know. They have seen the desperate Kurds fleeing from injustice and they ask themselves why there is one standard for Al-Mashat and another for the Kurds.

• (1650)

I might add that Al-Mashat, speaking of the Kurds, also denied that there had been any chemical warfare or any gassing whatsoever of the Kurds at Halabja in 1988, despite the fact that the eyes of the world saw exactly what was going on.

Why is it that this man is given the red carpet treatment? On May 8 the Minister of Employment and Immigration threw up his hands and said: "Nobody knew, Mr. Speaker. I just found out. We all just found out and what a terrible thing it is". I do not think Canadians accept that.

We have slowly been learning that in fact ministers did know earlier. We learned, for example, that the Solicitor General found out on April 11. We learned that the Minister of Employment and Immigration found out on April 16. What did she do when she found out? She said she hit the roof. She said she was angry. But did she order an inquiry to find out what went wrong? Of course she did not.

According to the documents and the statement made by that minister she said: "One of the responsibilities of ministers is when they are informed they must take full responsibility by acting to establish the facts". Did this minister do that? Did she follow her own guidelines? No, she did not do a damn thing when she found out on April 16. She did not tell the new minister, her successor, Mr. Valcourt: "Bernard, something went wrong here, get to the bottom of it and find out". She did not tell the Prime Minister or Joe Clark, the former Secretary of State for External Affairs. After all, she and Mr. Clark had earlier turned down another application by another Iraqi diplomat. She did not get on the phone to him or talk to him and say: "Something has gone wrong here". She did not talk to anybody. She did not order any inquiry. She did nothing. And yet she blames Raymond Chrétien and David Daubney and says that they are the ones who have to accept sole responsibility.

We are told that the Prime Minister only found out on April 30. According to the evidence that the committee has heard, the Clerk of the Privy Council knew on March 12 that Al-Mashat was coming into the country, well before he came in. The Clerk of the Privy Council knew that he had already jumped to the front of the queue. He had had his interviews, his medical and his interviews for a security check and everything had been done. It was a done deal.

Immigration knew and CSIS knew and yet we are asked to believe that nobody told any minister. That is what we are asked to believe. The fact is that, even after Al-Mashat got into the country and the Privy Council Office was informed on April 2 that the guy was in the country, it took 29 days. What did they do then? According to the Privy Council Office they did nothing. The Clerk of the Privy Council did not even tell the Prime Minister until April 30, four weeks after he found out.

The legislative assistant to the Prime Minister knew. The deputy press secretary to the Prime Minister knew. The Solicitor General knew. The Minister of Employment and Immigration knew. We are told the Prime Minister did not find out until April 30. The Secretary of State for External Affairs, the new Minister responsible for Constitutional Affairs, did not find out until May 7. Incredible, literally incredible.

We raise concerns about a meeting that took place of ministers, a cabinet lynch mob, that was deciding to extort confessions from senior public servants. They decided for the sake of symmetry that they would name the minister's chief of staff. It was a cabinet meeting that decided that they would deliberately issue a misleading and inaccurate document, an inaccurate chronology of events. What does the Minister responsible for Constitutional Affairs say when we try to raise questions about this? He says: "Don't touch me. Don't ask questions about my credibility because you might damage my credibility as Captain Canada". Unbelievable. That is what this minister says to Canadians: "Do not ask me tough questions. Do not put me on the spot because it might hurt my credibility".

His credibility and the credibility of his fellow ministers have already been damaged by their own incompetence in dealing with this affair.

What about the events that led up to the entry of Al-Mashat into the country? We know that a number of senior officials were well aware of the fact that he would be allowed into the country, fast-tracked. We know that there was a memo on May 7 that set out clearly that Al-Mashat had already been accepted provisionally as a retired applicant. He had had his medicals. Yet despite that immigration officials did not alert their minister. Privy Council Office officials did not alert their minister, the Prime Minister. The officials responsible for CSIS did not alert the Solicitor General.

The one public official who made an effort to alert his minister was the one public official that this government has attempted to blame. Shameful. The one public servant who not only followed the guidelines then in place, and it is ministers who are responsible for those guidelines, the one public servant who followed those guidelines is hung out to dry by these ministers.

Why did they do nothing whatsoever to finger Arthur Kroeger, the deputy minister of immigration, who admitted before the committee that he should have said something too but did nothing? Why did they not finger Paul Tellier who said: "Yes, I knew, but I did not tell the Prime Minister until April 30". It is pretty obvious why they only fingered one public servant.

Of course they also fingered David Daubney for symmetry. Why did they tell Daubney they were fingering him? Because of the fact that Raymond Chrétien happened to be the nephew of the Leader of the Opposition and they thought that would not look very good.

Mr. Speaker, you are certainly right. Canadians find that this whole matter does not look very good because they know that it is an attempt to evade and avoid the responsibility of cabinet ministers by blaming one public servant who, in fact, did follow the existing procedures.

In my mind it is not unreasonable to suggest in all the circumstances that given the seriousness of Al-Mashat's potential entry to the country Raymond Chrétien could have taken additional steps to ensure that this matter came to the attention of the minister responsible. I do not dispute that fact. I do not dispute the fact that apparently he agreed to have a memo sent by Mr. Vincent, but as I understand it there was no follow-up. There were a number of meetings between himself and the deputy minister, a number of meetings with the minister, and I do not disagree that it is not unreasonable to suggest that given the gravity of the situation identified by Mr. Chrétien himself that perhaps he could have taken additional steps to ensure that the minister knew.

But to single him out as the only person responsible and to issue a statement stating that Mr. Chrétien had apologized knowing full well that that statement was a lie, a bald-faced lie, is what Canadians find reprehensible.

In the time remaining available to me I want to remind members of this House what the now Secretary of State for External Affairs said during the press conference when she decided to pin the blame on Raymond Chrétien. She said: "I don't think anyone should underestimate the impact this could have on people's reputations. You know the saying about taking away my good name".

I think Canadians are going to judge this government and judge it very harshly both in terms of Mohamed Al-Mashat coming into this country, getting the red carpet treatment, and also in terms of the shameful way that ministers of the Crown have attempted to avoid their own responsibility and to pin that on others.

• (1700)

By trying to blame public servants they have very seriously damaged the relationship between the Public Service and the government, and the Canadian people are going to call them to account for that responsibility.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I do not go out of my way to agree with the hon. member very often, but there is one point that he did raise which I agree with. It is frequently the case when members of government, for example, will take positions they may have attacked while they were in opposition. Certainly members of the opposition will attack positions they were defending when they were in the government. That is true not only for the Liberals and the Tories. It is also true for the New Democrats. They are really no different.

I read where Premier Bob Rae, in the Ontario legislature said: "The opposition talks about ministerial responsibility. I have looked into the precedents and there is not a case that I can find in the last 50 years where a minister was expected to take the rap, the fall, because something was done without him knowing about it".

There seems to be a doctrine for Premier Rae and the Ontario legislature and another one for the New Democrats here in Ottawa. Why is it that Rae takes one position and Robinson takes another? It seems to me that if he wants to criticize people for taking opposing positions, depending on whether they are government or opposition, he should include the New Democrats. They are really caught in the same human web that we are.

He says that Canadians are angry that Al-Mashat came in too rapidly. You bet your boots they are angry. So is the government. So are members of the government. Every one of us here has cases in our files that we think have been there far too long and that we would like to see come in. We have constituents who want to see their relatives and friends come in, and they have not been able to. They are offended, as we are offended. Please, please, it is foolhardy for the member to go into high dudgeon, thinking that only the opposition and other people are offended. We are just as offended as they are and we want that to stop.

He began his statement by talking about the strong-arm tactics bringing the committee to an end.

Ms. Copps: He is right.

Mr. Friesen: We can count on the member for Hamilton East to echo that. She never fails us.

He is criticizing the committee for stopping and yet on June 7, almost a week ago, he said on CBC: "I do not think we have to prolong this thing indefinitely. Some Conservative members of the committee had suggested that we hear from Allan Gotlieb, but I think Canadians expect us to report and to report soon on what went wrong on this and how Al-Mashat got into the country".

He cannot have it both ways. I do have a question for him. He is offended by the fast-tracking of Mr. Al-Mashat, but I remember when he was first elected back in the dim ages of history, before the House sat. He encountered a Latin American seaman who had jumped ship in Vancouver. He had been in several countries after he left Latin America and jumped ship in Vancouver and the member for Burnaby—Kingsway all of a sudden on his own decided: "Here is a refugee". He took him to his apartment and sheltered this man and badgered the then minister of immigration to make sure this fellow whom he harboured was going to be declared a refugee.

Here today he is offended that Mr. Al-Mashat got a fast-track, and all the time in his own history he has been trying to fast-track people himself. Tell me, where is this guy coming from?

Mr. Robinson: Mr. Speaker, I will be very pleased to respond to the questions of the hon. member.

With respect to Galindo Madrid, a young Chilean refugee who had been a student leader and had been tortured in Chile, perhaps the member recalls that Amnesty International, the United Nations Human Rights Commission and the United Nations Commission on Refugees said this was an outrage and that his life was in danger. The Conservative government however, which he was a part of, was prepared to send this person back to be tortured and possibly to be killed.

I and the many others such as church leaders from across this country, including Mennonite church leaders and perhaps the hon. member might have listened to them at the time, stood up and said: "We will not stand by while a Chilean refugee is sent back to a bloodthirsty and brutal military dictatorship to be tortured and killed".

I stand by that decision today and I am very pleased to be able to report that person is a fine and upstanding Canadian citizen.

What I think this government has to answer for is its own responsibility. It should not be hiving it off on to some other level of government, some provincial government. Maybe the hon. member could explain why the Prime Minister stood up in this House on May 15 and said that the Clerk of the Privy Council had said: "Do not let Al-Mashat in. Do not admit him".

We know very well that was not true. The Clerk of the Privy Council said before the committee on June 4: "I surely did not say that the visa should not be issued". That is what Mr. Tellier, the country's top bureaucrat, said.

I would invite the hon. member to answer a supplementary question. When we talk about consistency maybe he can explain why the Prime Minister of this land was not prepared to tell the truth to Canadians about the role of the Clerk of the Privy Council and why to this day he has not apologized for misleading the House.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to make a comment on the matters presented by the member for Burnaby.

I want to make it clear to him and to members of the House that when he refers to the dialogue between the Prime Minister of Canada and the Clerk of the Privy Council, Mr. Paul Tellier, Mr. Tellier said to the committee, and the member heard it, that what the Prime Minister said was 100 per cent accurate.

Read it. It is there in writing and it is in the public domain.

Let me add something else about the member's remarks. He enters into the area of personal judgment on immigrants. We do not do that. We have objective standards for immigration into Canada, and we want those objective standards adhered to.

It is ironic that in this case the member for Burnaby and the member for Winnipeg South Centre went to Baghdad. They said: "We have to deal with the Iraqis. We have to bring about peace. We have to negotiate. We have to talk".

The minute a former member of the administration in Iraq, the Ambassador to the United States, comes into Canada, they said: "That should not happen". I would have thought they would welcome him to Canada.

It was this side which decided to take action against Iraq. It was the government that entered into hostilities and it was the members opposite in the NDP who said: "No, no hostilities". The Leader of the Opposition said: "Bring our men home".

My question is on another subject. I want to refer to what occurred in the committee, and the member knows this. Mr. Anthony Vincent gave a statement to the committee explaining exactly what he had done and he asked to share with Mr. Raymond Chrétien any blame that should be attached.

He made it very clear when he asked to make this public statement: "Mr. Raymond Chrétien has been publicly associated with the Mohamed Al-Mashat case. I wish it also to be known that as Chairman of the Interdepartmental Committee on Defectors I was directly involved in the management of this case".

"While I greatly appreciate Mr. Chrétien's readiness to shoulder the entire burden of public responsibility on behalf of the department, I consider it only just that the public be aware of my own role in the recent events".

It is very clear that the officials of the department took the position that they had taken the action which allowed Al-Mashat to come into Canada. Mr. Anthony Vincent made that statement in the committee. He referred to his relationship with Mr. Chrétien.

How can the member stand in this House and suggest that anybody but Mr. Chrétien and Mr. Vincent were responsible for the entry of Al-Mashat into Canada?

The Acting Speaker (Mr. Paproski): The hon. member has one minute to answer that.

Mr. Robinson: The member for Halifax West has just made the point.

The fact of the matter is that one public official was prepared to say that it was wrong to single out Raymond Chrétien. He recognized that as being wrong. The government ministers who were responsible for deciding who to finger said: "No, we want to single out one person, Raymond Chrétien. We are not going to talk about immigration officials, Privy Council officials or any

other external officials. We are going to put the rap on Raymond Chrétien".

• (1710)

Every member of this House knows why they put the rap on Raymond Chrétien. It is because he was the nephew of Jean Chrétien and that is the truth and that is what members should—

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I do not intend to make a very long presentation. It has been extremely well documented by the two previous speakers from this side what happened in the Al-Mashat affair.

For me, of course, it is unbelievable, and I know there are a lot of Canadians who cannot believe the story given by the government. We know there were apparently some problems in the Department of External Affairs, but there were three departments involved in that. We have now found, in the committee, that there were bureaucrats in every department who had been aware of the Al-Mashat application for a long time. There were all sorts of communications between departments and so on.

In one case there was a bureaucrat by the name of McCallion working in the office of the then minister of external affairs who was going on holidays and who was involved in security matters. Anybody who has been minister of external affairs or who has been a minister in any department, will know how serious the Department of External Affairs takes anything that involves security. It is for them an extremely important domain and they take it extremely seriously. Before she went on holidays she said to Mr. Daubney, who is the No.1 bureaucrat in the office of the minister: "Be aware it is a very dangerous problem and it is extremely urgent. I am going away, but make sure that the minister is informed".

However, to make sure that it would work properly, she decided on her own, according to her own testimony, to talk to other people in the office of the minister to make sure that the minister was aware.

It must have been the same story in every other department, but we do not know. What we know is that nobody from the other departments has been blamed for anything. We are all very surprised that the Solicitor General's department, again specializing in security matters, would not inform its minister. These are things that we cannot believe. There are dozens of people in the bureaucracy who must have known and suddenly we see that some junior people in the offices of the ministers make other departments aware of what is going on and it never goes to the top.

I have been a minister for 17 years myself and I know one thing that is very basic. The main document, signed by the official when it is decided it has to go to the minister, is the copy that eventually will be on the desk of the minister. It is the proper thing to do. We never gave a copy to the minister. We gave him the original document signed by the bureaucrats. This is the procedure.

The original is there and did not go anywhere but to Mr. Daubney. According to the rules decided by external affairs it went there, but the original document does not exist any more. It is, as it was raised in the House today, a question of security. For a much smaller thing, the whole government is getting very excited about security.

Do you remember what happened when there was a leak with the budget? We have never seen so many policemen involved in something on the Hill. Members who received brown envelopes were asked by the RCMP where they came from. Now we have a document that is at the heart of a major controversy and it has disappeared. Nobody knows where it is.

An hon. member: It is very strange.

Mr. Chrétien: It is very, very strange.

[*Translation*]

I find this hard to believe. When I was a kid, people would say it was a mystery. What is a mystery? It is something you cannot understand but you have to believe it because it was revealed by God.

In this case, the revealing was done by the Prime Minister or by the former Secretary of State for External Affairs. Some mystery. Everybody in the department knew. As one member said not long ago, even the minister's chauffeur knew. Everybody in three departments knew about it, except the ministers.

One wonders, however, and this has not been addressed in the House, why the three ministers involved in the Al-Mashat affair were transferred all of a sudden. Why? According to parliamentary practice, the minister of a department is obliged to field questions on that department in the House. Meanwhile there were some changes in cabinet. The former minister for external affairs who is now Minister responsible for Constitutional Affairs can no longer field questions about internal matters related to the Department of External Affairs. The minister who was responsible for immigration was transferred to external affairs so she can no longer answer on behalf of the Department of Employment and Immigration. Then, all of sudden, our Solicitor General who was doing a pretty good job disappeared. He got a nice promotion, but I am not sure to what department.

What happened? It is a mystery. We have to believe it even if we do not understand. It sounds slightly ridiculous. Personally I see an aspect that is even more troubling; We can debate whether Al-Mashat should or should not have been admitted to Canada, but it is obvious that at some time there was a conspiracy. How can we get out of this mess? On May 13, the day before the new Minister of Employment and Immigration, and the new minister for external affairs made their statements, there was a meeting. I think this is the most serious element, because the meeting included ministers and bureaucrats.

[*English*]

There were ministers there and there were bureaucrats and they decided at that moment: "How can we get out of this?" They had a report that had been prepared by very responsible officials. When they saw that report they gave instructions to change it. After they decided that they asked how they could get out of it. Suddenly they gave instructions to extract apologies. It was unbelievable that the chief of staff for the minister of external affairs, a former member of Parliament, was suddenly informed—he said nobody had asked him any questions, not one single question—that he had to apologize and that he would have to take the blame.

Ms. Copps: For symmetry.

Mr. Chrétien: For symmetry. After that they singled out a bureaucrat who had to take the blame. They told him to apologize and take the blame. Who did that? They were the ministers of the Crown of this country who gathered in the cabinet room to determine who were guilty and who were to be informed of their guilt without having a chance to explain themselves.

Some hon. members: Shame.

An hon. member: A kangaroo court.

Mr. Chrétien: That was the day when they decided to hang two honourable people out there. Suppose that Mr. Daubney who served in this House would like to run again. He cannot because he had to play dumb in order to save his government. You know they killed him. That is what happened.

I was a cabinet minister for 17 years and I took my share of flak. I have a lot of scars, but never, never in my life would I have dared to blame someone for something for which I was responsible.

Some hon. members: Hear, hear.

• (1720)

Mr. Chrétien: When you are a minister and your bureaucrats do well, you take the credit. I always took the credit. I never got up in this House and said: "Do not thank me for that; say thank you to this bureaucrat". Never. I said: "Thank you very much". I took all the credit. On the other side of the ledger, when I made a mistake I took the blame. I never ran away from it. It is the only way.

Today I was coming back from Atlantic Canada when I met a young bureaucrat from the Quebec government at the airport. He was travelling to Ottawa. We were waiting because the plane was delayed, and we sat together. I asked him about that. He said to me: "I do not know if I can still do the job I am doing; I am paid to make decisions on a daily basis". He gave me some examples and I understood the political difficulty of some of the problems he has to deal with. He said to me: "I do not know if I would still be able to do that, because I do not know if my minister one day would get up in the House in Quebec and say, I blame him, I am not responsible". He said he had been a bureaucrat for 20 years and had always presumed that when he was working in his department he had a minister who would come to his defence if he made a mistake. He would be

reprimanded. He might have been demoted. He might have been changed, but nobody would have known that.

Now we have exactly the reverse situation. We have two people who have been blamed by this government, but they keep their jobs. They say it is just a little slap, take the blame. Normally if they have done something they should not have done, no one would know. One was appointed by the minister himself, the chief of staff. It was a job that was created by this government and in many ways it was a slap in the face for the bureaucracy. Government members felt that they needed a very senior person in every department who was not a bureaucrat, and everything had to go through that person.

For 17 years I was a minister in eight different departments. I did not need anyone between me and my deputy minister. I knew they were there to serve me to the best of their abilities. I knew that if they did well I would do well. And if I did well then they would do well too. I was to claim the fame if they did well, and I would have to take the blame if there was an error.

Today we have a certain number of ministers who met and we do not even know who was there. We do not know who was there.

An hon. member: They will not tell us.

Mr. Chrétien: A certain number of bureaucrats were gathered together but we do not know what happened. We had a committee for a few days. No one was sworn in. Sometimes in front of the committee when it was a very delicate situation, bureaucrats or others were invited to be sworn in to give them freedom. In that case there was no such thing. And they are closing down that committee as quickly as they can.

There were a certain number of ministers there. I do not know who they were. I have an idea. They are the ones today who are in very responsible jobs, who will be dealing with their bureaucrats, who will be asking these people to make decisions, who will be asking these people to use their best judgment.

How can they face them and say: "I have confidence in you" or ask them: "Have you got confidence in your minister?" This is the question, because confidence and trust are the key of public office. The example given by the member for Winnipeg South Centre earlier concerning Lord Carrington is a good example of what is noble in public life.

He said: "There is a mess. Somebody has to take the blame. I am at the top and I take the blame". He did not try to find anybody. He did not say he was not informed. He did not say he was not wakened in the middle of the night or whatever it was. He said: "I am responsible. I will do the honourable thing. I will get out".

Mr. Axworthy (Winnipeg South Centre): Pass the buck.

Mr. Chrétien: He did not pass the buck; it stopped with him.

The only thing I am asking these ministers is now that we are in a very difficult period of our history, can they really handle the job they have. After a mess like this one when the principal secretary to the Prime Minister, the secretary to the cabinet, the deputy ministers and the ministers gathered together and selected two bureaucrats to blame, they did not even ask them what they had done. How can the people of Canada trust these ministers today?

Some hon. members: Hear, hear.

Mr. Chrétien: When we opened this session the government came to us and said: "Let's work together; this country is facing a major problem", and we offered our collaboration because we felt it was our duty. But to be faced with a government that acts like this, the rule is very simple. You take the blame when something is wrong and you do not finger anybody else but yourself. This is what a person of dignity does.

That is why I did not get into this debate, did not ask one question. I have been around since 1963 and I know there is a principle. It is responsibility.

The minute you become a cabinet minister, you take responsibility and you discharge responsibility until the end. That is the rule that should prevail. That is the one rule that can keep the confidence of the people in any individual.

In my judgment, the standards of integrity and trust were breached on May 13 when senior bureaucrats and senior ministers gathered together, including ministers who have nothing to do with the file any more, to protect themselves, wrap themselves in the flag or whatever it is rather than face the responsibility.

That is why I am voting with my party on this motion. It goes to the heart of responsible government. If that principle is broken, if the people who are elected to serve the country cannot take full responsibility, cannot defend the personal staff they selected to do the job, cannot fire them after they have said they have made a mistake, but instead single out somebody in the bureaucracy is wrong. Of all the departments, only the Department of External Affairs took the step to make sure that the minister knew.

Some hon. members: Hear, hear.

Mr. Chrétien: To single out a bureaucrat in that department who has done his job, plus the people working for him who have done their jobs, is unbelievable. Not one person in Immigration was singled out and it was an Immigration case. Not one single person in Immigration has been singled out.

• (1730)

It is a case of high security and nobody in the Solicitor General's department or CSIS has been singled out. It is not acceptable that they sweep it under the rug. They can do it; they have the majority. We will vote against it.

However, I would like to tell the people of Canada that when we form the government, every minister in the cabinet that I will be presiding over will have to take full responsibility for what is going on in his department. If there is any bungling in the department, nobody will be singled out. The minister will have to take the responsibility. If there are errors, some people might be moved, but people who cannot defend themselves will not be singled out, and left hanging out there in front of the public. It is shameful. It is an indignity that we have not seen in Canada for a long time and it is why I stood today.

If the system of ministerial responsibility and integrity is not respected, if ministers cannot go home and look at themselves in the mirror and say: "Do I have the trust of my employees, do I have the trust of the people of Canada," if they cannot do that because they want to keep their little jobs, people will never have confidence in public servants in Canada.

Some hon. members: Hear, hear.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I want to preface my question to the hon. Leader of the Opposition by congratulating him on a very eloquent speech in which he set out very well the fundamental principles of cabinet accountability, which I am sure that Prime Minister Audrey McLaughlin will implement when she forms the government after the next federal election.

The Leader of the Opposition has had 17 years, I believe, of experience as a minister. I wonder if he could comment on two particular aspects. First of all, the hon. Leader of the Opposition raised the issue of David Daubney and the way in which he was singled out in terms of symmetry. I think, in fairness, it has to be pointed out that Mr. Daubney was after all the chief of staff of the minister responsible at the time, the Secretary of State for External Affairs, that he stated that he did not know who Al-Mashat was, that he had no idea, that it could be any one of a whole series of former Iraqi ambassadors to the United States. He said that the memo was not highlighted. He did not bring it to the minister's attention.

While I agree that he was singled out for unfair treatment, I think that the Leader of the Opposition would agree that in the circumstances he did not do his job, but it was the minister who should be responsible for that, presumably. It was the minister who hired him. It was the minister presumably. In fact I think it is the Prime Minister who appoints chiefs of staff. It is the Prime Minister in consultation with the Secretary of State for External Affairs who has kept this person in place.

I wonder if the Leader of the Opposition could comment with respect to that aspect of accountability, and particularly the accountability of the Secretary of State for External Affairs, now Minister responsible for Constitutional Affairs, for his own senior public servant.

Second and just briefly, perhaps the hon. Leader of the Opposition could comment on the defence that we heard earlier today in this House from the Minister responsible for the Constitution who said: "Don't attack me. You know it is not fair that you attack me because I am the minister responsible for the future of the country. I am the minister responsible for the Constitution". How does the Leader of the Opposition respond

to the suggestion that somehow we should lay off questioning this minister because of his present constitutional responsibilities?

Mr. Chrétien: On the question of Mr. Daubney, I feel sorry for that gentleman. He has been put in an impossible position. He has failed to serve his minister so much that he should have been fired. There is something fishy there as to why he has not been fired.

It is probably because he decided to take the blame as he was asked. It was quite evident. "We need two scapegoats and you are one of them. But the price is, take the flak and we will keep you in your job". I think that it is a terrible position, that he did not even have the chance to talk to the people who were doing the inquiry.

He is the one person who admitted that he was not given the document and he does not know where the original is. He is the one who gets the originals of all documents on his desk and he does not know where it is. But he took the flak and he has not been fired. He is still doing that.

You cannot blame him. You can only blame the person who named him. Not him. I do not know how the minister today can say: "Do not ask me any questions". He still works for him. He evidently has confidence in him today. He must have had confidence in those days.

The relationship between ministers and personal staff is not like departmental relationships. The minister is absolutely responsible for his staff. Nobody selects them but the minister.

It is just like when I was a lawyer. In my firm, I was not always there. When a document was delivered to my office by a bailiff I might not have been there to receive it, but the minute the bailiff put the document in my office, I cannot go in front of the court the week after and say: "I am not responsible" because the bailiff said a document had been put in the office of Mr. Chrétien, or the firm of Chrétien-Landry-Duchesnes or Lang-Michener, or whatnot. I do not want to make publicity for anybody. The document belongs to me at that minute. If I have a deadline to meet, unless it is something of which I am sure the deadline has expired, I do not get up and say: "Sorry, I was not advised. You gave it to my secretary". That is not an excuse. It is certified that your office has received the documents. We have known some lawyers who had to pay big sums of money because documents were misplaced.

The minister said today: "Do not blame me. Do not attack me". Why? I never ran away from being attacked. I never got up in the House of Commons and said: "I am the first French Canadian to be Minister of Finance. Leave me alone. I might look bad. Poor little me, I am the first one. Suppose I fail, there will never be another one". I never said that. I took it on the nose. That is why I have a broken nose today. I replied in kind.

I do not understand, but it is quite evident that he feels terribly uncomfortable, just by the way he acted in the House. It is for them to decide. We cannot. I know that when we form the government, ministers will know. Twenty-five years from now we may train a New Democrat to be a responsible Prime Minister, but not before that.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to join with my friends and congratulate the Leader of Opposition for an excellent speech.

The motion before the House reads:

> That this House affirm that ministers are individually and collectively responsible to the House of Commons for the activities of the government, including the management and conduct of the Public Service—

I want the record to show that not one minister was in the House during that speech and we resent this practice, this conduct and we absolutely condemn—

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

• (1740)

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, there have been many surprising twists and turns in this affair, commonly known as the Al-Mashat affair. The first surprise is that he was here. Obviously Canadians were not only surprised; they were shocked. There were a number of other revelations and surprises that came along the way as the committee met, not the least of which was the fact that the assistant under-secretary said in committee, emphasized in committee, how important it was for him always to put things in writing. He liked to do things in writing. He said: "I do not like to do it by phone. You don't remember phone calls, but you always have it on record when you put it in writing". That is what the assistant under-secretary of state said in

committee. But there is not one scrap of paper on this case that he signed, not one scrap of paper.

How do you put the two together? It is surprising to me how that man can sit in committee and say he did more than necessary and yet there is no paper trail. How do you put the two together?

The biggest surprise for most Canadians who have been watching—and I doubt that as many people have watched this event as the opposition thinks—is the resurrection and the rebirth of the rat pack. We remember when the rat pack was born about seven years ago. Soon after the 1988 election a group of opposition MPs decided they were going to be the rat pack and they attacked ferociously. They did not care what they said. They did not care what kind of indignities they expressed, but they attacked.

It was not long until the people of Canada started asking two important questions. Where is the Leader of the Opposition in this? Either he knows and approves, or he knows, does not approve, but cannot do anything about it.

Now that we have the resurrection of the rat pack, sooner or later Canadians are going to say the same thing about the leader today. We have the rat pack carrying on and yelling all kinds of indecencies and pretty soon—

Mr. Milliken: Indecencies?

Mr. Friesen: That's right. You were not in committee.

Pretty soon Canadians are going to ask if the Leader of the Opposition of today approves of the way these people are carrying on, or does he recognize it and does not approve but cannot do anything about it. If anything has happened as a result of this we have seen a process of the rat pack destroying the present leadership.

We know that the former leader was a decent and honourable man and he did not approve, but he could not control those people. We know the same thing is true about this man. He is a decent and honourable man and it is going to dawn on the Canadian people very quickly that these people are uncontrollable and sooner or later it will bring disrepute on the leadership of the Leader of the Opposition.

We have a motion before us and as the government House leader has already said, we see nothing wrong with this motion. It states the obvious. In fact it was enunciated by people long before this motion came along and we approve of it. Essentially it deals with ministerial responsibility and it looks as though everybody in the House is in favour of it. But, seemingly, everybody has a different definition of it and everybody has a different time when they want to invoke it.

I want to go back as others have done to the McGrath report. I served on that committee as did the member for Papineau—Saint-Michel and, I might add, he served very well as did the member for Winnipeg Transcona. I want to read into the record exactly what the McGrath report says on page 21:

> The idea of a minister being responsible for everything that goes on in a department may once have been realistic, but it has long since ceased to be so. A minister cannot possibly know everything that is going on in a department. The doctrine of ministerial accountability undermines the potential for genuine accountability on the part of the person that ought to be accountable—the senior officer of the department.

Clearly the McGrath committee was saying that if we take the view which some of the members today are taking, we relieve officials of the department of their responsibility and that is not serving Parliament nor the Canadian people.

Therefore the recommendation is:

> We recommend that all ministers co-operate with committees exercising their expanded mandates by making available public servants that may be called to testify before a committee.

That is what the McGrath committee said. I think, given different times, members of the House tend to agree with that. It is all well and good to agree with a ministerial responsibility and a statement on that in the heady summer days of parliamentary reform, but it is a little bit more difficult to agree with it when we are facing a winter of discontent.

The fact is that sooner or later we have to make this principle operate and that is what we have been trying to do and that is what the ministers have been trying to do. The Secretary of State for External Affairs stood in the House and said: "We have taken full responsibility". The doctrine of ministerial responsibility says: "We will examine what has gone wrong. We will deal with the public servants. We will correct the mistakes. We will bring in a new regime". That is ministerial responsibility.

What the opposition seems to want is for heads to roll; only it wants ministerial heads to roll, but that is not what the doctrine says. It is not what Former leader of the member for Winnipeg—St. James, said. "When there is a mistake in the department ministerial heads do not necessarily roll", Mr. Trudeau said, as was read into the record earlier by the government House leader.

Mrs. Finestone: Just say I made a mistake.

Mr. Friesen: That is right. Just say it was a mistake. There have been mistakes made. They were not made by the minister. How can you make a mistake when you do not even know what happened? I say to my friend from Montreal, how do you know? Members from her party and from the New Democratic Party have all admitted that the ministers did not know. How do you correct it if you do not know?

The motion today and the McGrath committee conform to the common practice of ministerial responsibility. One of the things we have acknowledge is that when you invoke ministerial responsibility, you also include the delegation of responsibility and if that minister is responsible surely that minister can delegate. If the minister delegates, they can hold that person responsible for the way they have carried out their duties. I think the member from Montreal will agree with that. It seems logical.

The business community out there understands that in a company, if the president delegates responsibility to the vice-president and the vice-president delegates it to the manager and the manager boots it, the manager is going to take responsibility and the vice-president is going to take him to account. Now it sees nothing wrong with that.

Out there, the public understands. It has seized that issue and it understands it. The public for the life of it cannot understand why people in the House here are questioning that when there is a mistake made all of a sudden a different regime comes into play. No, we cannot touch people who made mistakes, that would be touching the bureaucracy. We cannot hold them responsible, can we? The public is mystified by what is going on here.

• (1750)

When ministers delegate responsibilities, they have a right to demand performance. When that performance is not there, they have the right to demand an accounting. That is the process which the ministers have followed throughout this regime.

As I said, the business community understands this. The journalists understand this. This case came to the public attention because a journalist in Toronto called the external affairs department to alert it of an individual who might want to be a defector. It was a journalist.

After that journalist called external affairs, there were public panel discussions on television. There was public discussion in the printed media. There were editorial columns written about whether it was proper for a journalist who presumes to be speaking for the masses or for the newspaper to pay particular attention to one case. Should he plead or lobby on behalf of one person? Was there an impropriety on the part of that one journalist?

There was public discussion for a few days, maybe a week, on that. It is funny, but that person has already been taken out of that job. He is no longer the editor of that newspaper.

The press says: "Of course, it had nothing to do with the Al-Mashat affair". Wink, wink, nudge, nudge. "It had nothing to do with that". It is funny how the timing coincided.

An hon. member: He is on another assignment.

Mr. Friesen: Yes. He is already out of that office. I am informing my friend from Montreal that the member is no longer editor of *The Financial Post*.

Newspapers understand it. They know that you cannot be talking for the public and then lobbying for one. You cannot be speaking for the newspaper and lobby for one. You are accountable to the publisher. They understand it, and he is gone.

He has some other kind of a job, presumably in the newspaper. What I cannot understand for the life of me is why journalists understand it when it is one of their own but not when it is in the government.

Here we have roughly 40 ministers of the Crown. We have a bureaucracy of 250,000, a quarter of a million. Somehow people in the opposition and some journalists seem to think that 40 ministers ought to keep track of 250,000 bureaucrats. It is not logical. It makes no sense and it violates the whole concept of accountability which bureaucrats want to see.

I do not understand why the opposition cannot understand that. As I pointed out before in the question and answer period, Premier Rae of Ontario understands it very well now that he is in government. While he was in opposition he probably did not. Now that he is in government, he is saying something entirely different.

Now he is saying: "The opposition talks about ministerial responsibility. I have looked into the precedents and there is not a case that I can find in the last 50 years in which a minister was expected to take the wrap, the fall, because something was done without him knowing about it. It is not the ministers who resign. They deal with the people who are the subordinates. They make sure the systems work and they make sure the employees work". That is ministerial responsibility.

I have one further point, and it has to do with the minister's statement. The Secretary of State for External Affairs appeared in committee and she read an eight-page document in which she outlined carefully ministerial responsibility.

She said, from page 4: "Public servants are responsible to the ministers. They advise ministers and administer the programs carried out under the statutory authorities exercised by the ministers. Those ministers, in turn, are responsible to the House of Commons. Officials do, of course, support ministers in answering the committee of the House provided this does not draw officials into partisan controversy or undermine the authority and the responsibility of the ministers".

That is the point, the key point. Officials come before the committees and they come with the ministers, provided it does not draw officials into partisan controversy or undermine the authority of their responsibility to their ministers.

We had a case last week in committee where the minister came before the committee with her officials. She read this statement and at the conclusion she said this: "Now, to place this case in the context of Canada's over-all immigration process, Mr. Kroeger will describe how that process works in all cases, and Mr. Marchand will review the key factual highlights of this particular case and the changes to the procedures that have been made since then. Then Mr. Valcourt and I will be pleased to respond to questions".

I want to tell my friend from Montreal that when the Secretary of State for External Affairs said: "The officials will now elaborate", members opposite walked out.

An hon. member: That is false.

Mr. Friesen: The member for Burnaby—Kingsway was the first to stand. The member from Winnipeg followed him, as the rest of the committee did. They walked out. I am telling members opposite they cannot have ministerial responsibility both ways. If officials are going to be responsible to the minister, they have to be held responsible to the minister. If these officials come with a minister to a committee, they are under the authority of the minister.

I think that is logical. I think the members will accept that. They are under the authority of the minister and the minister is responsible for them. What the members wanted to do was to draw them out separately and make these public servants accountable not to the minister, but to the committee. There was nothing wrong, and the minister made it a point to underscore the fact that the officials from her department were going to be available to report to the committee.

There is a difference between reporting to a committee, imparting information to a committee, and being responsible to the committee. They cannot have it both ways. They say they want the ministers to be responsible, responsible for the Public Service, how they behave, how they produce and how they perform, but at the same time want them to be responsible to the committee. They cannot do that. Sooner or later they are going to have to make a choice.

It so happened that at that time they got a 30-second or a 60-second clip on television by walking out and having this high dudgeon outside in front of the television. They sacrificed the very principle they said they were working for: holding ministers accountable. As soon as they rejected that opportunity, they were saying: "We want them to be accountable to us and not to the minister".

Mr. Wappel: Were you there, Benno?

Mr. Friesen: I was there. These people have a choice to make. If they really believe in parliamentary and ministerial responsibility, they will take the committee work seriously. They will hold the minister accountable for the way the officials do their work and they will insist that the ministers hold those public servants accountable. If one of them says he would like to put it on record, he would like to put everything on record so that people can read it and so there is a record, but never writes

anything down so there is no paper trail, surely the minister has a right to ask what happened to that official.

It is not an unfair question to ask, is it? If he says he does not like to use a telephone except in an emergency but he wants to put it on record, maybe we have a right to look for those memos which are not there, especially if his boss is travelling in the Middle East and does not know what is happening here.

• (1800)

I want to make one more point and that is the famous so-called secret memo, copies of which are floating all over the place, dated March 7, rewritten on March 8, kept the original date, rewritten again on Monday and did not arrive until March 14. It was written by Mr. Vincent and it was addressed to Ms. McCallion, not to the minister. It was not addressed to the minister and the member for Winnipeg is so upset because this very important secret document did not get to the minister, was not even addressed to him.

It was not even addressed to him and yet he gets into this synthetic rage because something has gone wrong here.

We believe in this motion. We may not be able to vote for it because of the conventions of this House but we believe in the motion, and we have performed according to the demands of this motion as the ministers can prove.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I listened carefully to the hon. member's comments on ministerial responsibility. I am even prepared to go along with part of his comments, to the extent that the minister or ministers said they had not been informed.

How can we in this House and how can Canadians believe that at a time when we were at war with a country an ambassador of this calibre was not under surveillance by CSIS and our country's security agencies, that no one was aware of his activities and that he was able to enter a country like Canada? This is not a banana republic. He entered Canada. How can we believe that no one knew about it?

[*English*]

Mr. Friesen: I am glad the member asked that question because it underscores exactly the problem that we have been discussing in committee.

The first telephone call came on February 27. It came to the Assistant Under-Secretary of State. He did not bother calling the minister. What he did do was place a call to Vienna and alert Vienna that there was somebody who might come and want to defect, but he did not tell the minister upstairs. I think it was the next day the minister was going to Washington to meet with Baker and talk about Middle East issues. He let him go to Washington and did not tell him that somebody from Iraq was wanting to defect to Canada. He let it go by way of memos and discussions. Nothing, there was not one memo written to alert and warrant a response from the Secretary of State for External Affairs.

General memos, yes. None of them said: "for the attention of", "we want a response", "we want to have some direction from the minister".

I will tell you why. A week prior to that two ministers had said: "There is a case coming before us, another diplomat from Iraq. He should have no special privileges".

They knew what the attitude of the minister was on this. He wants to know how this happened and I will tell you why. It all was steamrolled by the security division of external affairs. I am not saying this is inviolate. I am not saying that it was trying to do something tawdry, not at all. It was looking after what it thought were the best interests of an individual who felt that he was in danger. I think we have to get it out of our minds that it was trying to do something tawdry.

The security division checks on whether this person is really a defector. The word comes back that he is not considered a defector.

It deals with an immigration officer in Vienna. Vienna reports back to external affairs. It was never reported directly back to the immigration department. Never did a telex go directly from Vienna to the immigration department here, it always went to external affairs. By March 11 it was case closed. They had been provisionally accepted on March 5, the day after the first interview.

Mrs. Al-Mashat came in on the evening of March 4. Mr. Al-Mashat came in on March 5 and both were provisionally accepted at the interview, providing their medicals and their security checks were okay. The security division made sure that it checked out that section.

It was a quick adoption of the process. It was not illegal. It was, I think, improper, but it was not illegal and because the system was made to function extra efficiently these people got in while thousands of people around the world wanted to get in. It was terribly unfair. I want to underscore that the officials did nothing legally or technically wrong. They thought they were doing right, but it was wrong.

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I just wondered in the opinion of the hon. member if this does not appear to be blown out of all proportion. It seems to me that we are occupying an awful lot of our time here in Question Period and in the House today on this issue months after it has happened.

When I call back to the people in the riding and I ask "are you concerned about this" or "are you following this", I do not find that people in my riding are following it closely at all. There were some questions in the beginning and, as you just said, a lot of people who did have relatives and friends whom they wanted to have come to Canada and who have been working hard at it for years who perhaps were very disappointed to see this happen. I agree with that. In all fairness, however, is it not blown out of all proportion considering the fact that, as you said, there was no malice? Perhaps there was a difference of opinion in the judgment used, and I think that is true. Perhaps there were some mistakes made, but there was no malice and there was no intent to conspire or do anything wrong. Would you agree with that?

Also you mentioned a few moments ago in your first remarks a comment about Mr. Trudeau's statement in 1983 with regard to ministerial responsibility. I would like you to elaborate on that a little more if you could. That was an interesting comment and I would like to hear your thoughts on that.

Mr. Friesen: Mr. Speaker, on the issue of fairness, I do not think that we can blow it out of proportion in terms of looking after what went wrong. That has to be taken care of. The minister has done that. We are dealing with human individuals and therefore things can go wrong, but we have to guarantee for Canadians as far as humanly possible that we will conduct a fair operation so that everybody across Canada gets the same treatment.

In that sense it is not overblown. In the sense of the publicity, yes it is overblown. The Secretary of State for External Affairs has said that she has in the meantime gone to Chile and dealt with incredible issues with the Organization of American States to ensure that becomes a more active and a viable union on behalf of North and South America, and maybe deal with some of the poverty issues and the security issues that face this hemisphere.

She has been to Copenhagen and she has been dealing with NATO issues; whether we ought to change the relationship within NATO. She has met with NATO foreign ministers. That has incredibly long range implications for our country. None of this gets any attention as long as we are dealing with "where is that secret memo". That is the destructive part of this debate. There is nothing wrong with holding ministers accountable, nothing wrong with making sure that the system remains fair. That is the way it ought to be, but it is wrong to distort the issue to such an extent that the issues which face our country and the world get completely obliterated and blotted out by this one issue, in order to get a few seconds of a television clip.

The Acting Speaker (Mr. Paproski): I have two minutes left in question or comment period. I will recognize the hon. member for Mount Royal for a minute and then have a rebuttal for a minute.

• (1810)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I want to thank my hon. colleague very much for addressing many of his remarks this way.

The issue of the memo is important, if I may suggest to my hon. colleague, because it is not an ordinary memo. The memo was dealing with a man that my colleague and I have talked about in international meetings, a really unpleasant, not very good, dictator in Iraq with whom we were at war. I think you could say that this man we were referring to, Al-Mashat, was an apologist for him.

If it was just an ordinary piece of paper or just an ordinary memo, I guess we could have said was, perhaps pushing the case a little bit too far. But this was not an ordinary memo. I would suggest that you should not distort it in that regard.

Second, like you and like most members in this House, we have hundreds and hundreds of immigration and refugee cases. I do not have to tell you, because you and I have discussed this, the number of married men over here who have not had the pleasure of being able to live and have their wives, and some of them their children here, for over three years because they cannot get through this refugee and immigration system.

When you read the minister's statement and she was bringing the members of her staff before the committee to discuss the process and the procedure, I think that was logical. We got lots of things to look at there and we have lots of reasons to be angry that this man, Al-Mashat, apologist for Saddam Hussein, was in here. There is good reason.

The Acting Speaker (Mr. Paproski): I am sorry, questions and comments are now terminated.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, just to put it on the record, I will be taking 10 minutes of the 20 minutes and my colleague for Northumberland will take the other 10 minutes, with your permission.

I would like to look at this entire issue from the point of view of two words; honesty and integrity. First of all, I look at precisely what we are talking about. In general terms we are talking about ministerial responsibility.

My colleague from Winnipeg South Centre moved a very specific motion. Lest the people who are watching and who will read *Hansard* not know, they may wonder where in heaven's name did this wording come from.

I would like everyone to know that the wording is verbatim, extracted from the white paper on the future of the Public Service which was tabled on the Prime Minister's behalf on December 12, 1990, and which was quoted favourably by the Secretary of State for External Affairs when she appeared before the Al-Mashat committee. Why is that important?

It is important because that statement is a statement of principle by this government of ministerial responsibility. Among other things it says that ministers are responsible to this House and through this House to Canadians for the activities of government and individually, and I quote:

> Ministers are responsible for the administration of the decisions of the Government and the activities of Public Servants falling under their jurisdiction;

That is a principle with which the members of the government do not have a quarrel, or so we are told. Indeed it would be very illogical if they did have a quarrel with it since their own minister quoted it favourably. However, how does it apply to situations like the Al-Mashat affair? That really is the key.

I thought in the time allotted to me I would just have a look at the calendar of events. Members on the opposite side are interested in history when it suits their purposes. I would like to deal with some facts.

Factually, let us go back to 1984. We will all remember that the Prime Minister of today, then the Leader of the Opposition, campaigned long and hard on the issues of honesty and integrity and on the faith that people should have in the government and on the faith that he would redeliver to people when he became Prime Minister. Unfortunately that has not happened and people are very disappointed. This Al-Mashat affair would have been and still can be a perfect opportunity for this government to rekindle faith in the political process with Canadians, to reinstill a feeling of honesty and integrity.

But how? By being open and honest about this matter and having some integrity.

Now let us look at the facts. We were at war with the nation of Iraq. This is a fact. Al-Mashat was the Ambassador to the United States of the country with which we were at war. When? In January and in February. On February 27, admittedly at a time when a cease-fire had been called, our government is notified that he wants to come here. That is fine. We know what happened after that, but where do ministers get involved? I would suggest that it would be between March 8 and March 14.

Why? A memorandum was written to the office of the minister of external affairs dated March 8. It stated in it: "You may wish to bring this to the attention of your minister". We know that the minister's procedures established by his chief of staff and approved by him specifically stated that all memorandums were to be brought to the attention of the chief of staff. The office procedures did not state that the memorandums were to be brought to the minister's attention. The office procedures did not state that deputy ministers and under-deputy ministers were to pick up the phone and call the minister. It stated specifically that all memoranda were to be directed to the chief of staff. That is exactly what happened.

We know that the chief of staff received the document because he has admitted receiving it in accordance with the procedures established by the then Secretary of State for External Affairs. We know he read the document. When? Well, he is not quite sure. He thinks it might have been Thursday the 14th. It might have been Friday the 15th. It certainly would not have been on the weekend he tells us, but more probably the 18th or the 19th, a Monday or a Tuesday. In any event, it is at least 10 days before Al-Mashat got his visa.

What Canadians want to know is why did this man get in here and how did he get in here in 28 days. Well, on the 14th there was a memorandum in the office of the then minister of external affairs in accordance with the then minister of external affairs own office procedures as approved by him. His chief of staff admits reading the document and does not tell him about it and does not show him the document, at a time when the then minister of external affairs says that he was concerned about these issues because he was travelling in the area.

That is a clear breach by the chief of staff. Who is responsible for breaches by the chief of staff? Canadians know the answer. You do not need professors, you do not need law degrees to know the answer to that simple question. Who is responsible for the chief of staff? The person who hired the chief of staff, the person under whose direction the chief of staff works. In this case it is the present Minister responsible for Constitutional Affairs.

This is not some mysterious thing that we have to go to the Supreme Court of Canada for guidance. This is pure and simple common sense. The chief of staff reports to the minister. The minister is responsible for the errors of his chief of staff, period. No one can dispute that.

I leave it to Canadians to make that decision themselves because I know Canadians have common sense and that is a common sense position.

But what happens? The memo is not brought to the minister's attention. We will go to another department. On March 11, Paul Tellier is advised. The Clerk of the Privy Council on March 11, not April, not May, but March, almost 18 days before Al-Mashat arrives, is advised. Does he pick up the phone and tell his boss, the Prime Minister of Canada? No. And yet Raymond Chrétien is fingered as the person who should have picked up the phone and called the minister directly and told him about this; not Paul Tellier who should have picked up the phone and called the Prime Minister and not the chief of staff, David Daubney, who should have picked up the phone, but the only person who actually prepared or had prepared a memorandum which we know, in the ordinary course of events, according to the minister's own office policy, reached his office and reached his chief of staff.

• (1820)

That is the nub of the issue. Somebody should be taking responsibility for the errors made not only in the department but in the minister's own office. That is where the question of honesty and integrity comes in.

If you are a minister and your staff has made an error, have the integrity to stand up and face the music. No one has been talking about resignation. I think if we check

Hansard no one has called for a resignation. I stand to be corrected, but I do not think so.

What we have asked for is someone to stand up and have the backbone to say: "I am the minister. I am responsible". We have not seen that, and that is lamentable to the people of Canada.

[*Translation*]

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the hon. member for Scarborough West. I would ask the hon. member to name the activities for which a minister is responsible to the House and indicate what activity would be grounds for a minister's resignation.

[*English*]

Mr. Wappel: Mr. Speaker, let me answer the second question first.

I would certainly call for the resignation of a minister if a minister knew of a fact and then stood in this House and denied knowing of that fact. That, to me, is misleading the House and that calls for a resignation.

As far as the first question is concerned as to what the guidelines should be, it seems to me that the guidelines are very clearly set out in a little booklet entitled "Notes on the Responsibilities of Public Servants in Relation to Parliamentary Committees" issued by the Privy Council Office in December 1990.

I commend it to the hon. member for his attention. I will merely read one statement from it: "Ours is a system of responsible government, because the government must retain the confidence of the House of Commons and because ministers are responsible to the House for everything that is done under their authority. They are answerable to Parliament and its committees".

That does not mean they must resign every time something happens. What it means is they must stand up and face the music.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, the hon. member who just spoke is the immigration critic for the Official Opposition.

As he knows, there are thousands of cases in the refugee backlog who cannot see their relatives, immediate family, for three, four or five years because they have been here for so long.

As the critic, what complaints is he getting from Canadians? Is it the fact that Mr. Al-Mashat jumped the queue? Is it the fact that the ministers are refusing to admit fault in this House? What complaints are he getting? Is it more jumping the queue? Is it more the honesty and the integrity of this government?

Mr. Wappel: Mr. Speaker, I thank the hon. member for his question.

In fact it is three things. Not only is it the complaints about honesty and integrity of the government, the lack of same or the appearance of the lack of same. Not only is it the fact that many thousands of Canadians are waiting for their relatives and cannot get them in for years on end. They do not even get an answer from the minister of immigration, and this person is fast-tracked in 28 days. Third, we are not talking about John Smith or somebody. He is the former Iraqi Ambassador to the United States from a country with which we were at war who was an apologist for that government and for the regime that runs that country. Those are the three things that are infuriating the people who are calling me.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I would just like to ask a question about the management and follow-up in this particular case.

We heard the hon. member talk about the importance of this individual. According to what I heard before the committee on March 7 a decision was made. They started to prepare a memo on March 7. The bureaucrats finished writing the memo on Friday, March 8.

Again, the member indicated it was a very serious issue. Yet the person whom they sent it to did not receive it until almost a week later. He acknowledged before the committee that he did not read it until maybe March 18 or March 19.

Are you telling me that when a bureaucrat sends a memo of that importance, following procedure, that it is not his responsibility to check six, seven, eight, ten days later that that memo has been received? Do you think it is proper for a bureaucrat to sit back and wait that long to follow up on such an important memo?

Mr. Wappel: The answer is that first of all I think it is quite proper for a bureaucrat to follow procedures laid down by a minister. Second, I think it is quite proper for a bureaucrat following such procedures to assume that the procedures will bring the memo to the attention of

the minister who set the policies in place. Third, yes, I do think that follow-up should have occurred. However, such follow-up would not have been necessary if this memorandum had been put in front of the minister as it should have been, in which case this whole matter would have been over.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I am pleased to have the opportunity after weeks of study on this issue to speak to our Official Opposition motion today. I am very pleased my colleague has mentioned that is actually verbatim from the government's own publication *Public Service 2000*, which was tabled in the House in December 1990.

We are here today discussing, via this resolution, an issue of ministerial responsibility. The issue is not just of ministerial responsibility. It is not merely as it is delineated in this resolution, but there are layers of ministerial responsibility which have been brought to focus over the last weeks.

If the ministers of this government had taken their responsibility as they have outlined in their own document, *Public Service 2000*, the Canadian public would not have been harangued and assaulted with this issue for so long. Certainly Canadian citizens wish that this government were able to get on to issues which they consider to be very important, such as the economy, the loss of important jobs in this country—every job is important to every citizen—and our constitutional affairs.

We have been side-tracked over the issue and the principle of ministerial responsibility as it is articulated in the resolution which we are addressing today. However, I would like to say that there is, beyond the principle of ministerial responsibility, another layer of responsibility. That is the responsibility that this government bears to the two officials who were named as being responsible for all of the Al-Mashat affair and were publicly blamed in a document that was presented to the public and tabled here in the House on May 14.

This document, which included a chronology of events as they occurred, supposedly well researched by the government, was preceded by a statement by the Minister of Employment and Immigration and the Secretary of State for External Affairs. That statement says: "The Right Hon. Joe Clark regrets the fact that the Associate Under-Secretary of State for External Affairs, Mr. Raymond Chrétien, did not exert effective control over this sensitive case. Mr. Chrétien has apologized. Mr. Clark also regrets the fact that his chief of staff, Mr. David Daubney, did not inform him of this case. Mr. Daubney has apologized to the minister".

We know from the history of this case that the previous Secretary of State for External Affairs, who is now the Minister responsible for Constitutional Affairs, said on public TV that Mr. Chrétien had apologized to him.

In the House we have heard comments from the current Secretary of State for External Affairs with regard to the report that was prepared. She is quoted as saying: "I think the report speaks for itself. The report goes into some considerable detail in a very precise form as to what happened during the process of this incident".

• (1830)

She goes on further on May 16 in the House to say, referring to the report:

> Number one, all of the information regarding this situation is out and was made public. The second point is that ministers took the responsibility to ensure that the information went public and that that information to date has not been contradicted.

We now know that Mr. Chrétien did not apologize to anybody for his actions during this affair. In fact in his view he went beyond what was required of him as associate minister in external affairs, that he did everything that he could to inform ministers responsible of what was happening with regard to this affair. To repeat, he did not apologize for his role in this affair.

After that startling evidence was presented, we also heard from Mr. Daubney who, in response to the report itself, told us that he had not been interviewed by the auditor designated by the minister to investigate this case. He, the chief officer for the Secretary of State for External Affairs, had not been interviewed by the auditor although it was known that he would have had a role to play. He also stated that he had not agreed to the public statement attributing blame to him.

The fact is that a committee of unknown ministers and bureaucrats, as was stated here earlier today, met on the evening of May 13. They wrote the minister's statement that was to be made public the next day, and in that statement they attributed blame to Mr. Chrétien and Mr. David Daubney. Later that same evening the committee presented this statement to them for comment. However, in fact it was a *fait accompli* to which they did not agree at all.

The issue is large; it is larger than just how Al-Mashat got into this country. Canadians are very concerned about that. However, in my constituency I have spoken to constituents who have informed me that they are worried about the greater principle of ministerial responsibility. As has been pointed out here before, and the minister pointed it in her own statement to the House when she selectively quoted from Professor Kernaghan who said: "In practice ministers in Canada do not resign as penance for administrative bungling in their departments".

Why did the ministers not take the appropriate, as acknowledged by tradition, responsibility in this case and say that they were responsible, do their investigation, and allow us as a country to get on with other issues of importance? However, because the ministers did not take the necessary responsibility for this case, we have a serious change in what was formerly a respected procedure in this House of Commons and in this government.

In fact, the very notion of government in this country is questioned because it now appears that the less the minister knows, the less the minister is to be blamed; the less the minister knows, the more departmental officials will be hung out to dry, the more departmental officials will be blamed for what goes wrong. Ministers, of course, will take credit for departmental accomplishments.

There is a lot of concern, not only among constituents at large in this country but certainly among the Public Service, about the precedent that the government has set in the handling of this particular affair. It is something that is of distress to me.

Also, in terms of ministerial responsibility and levels of responsibility, it was interesting today in this House when the former Secretary of State for External Affairs, the present Minister responsible for Constitutional Affairs, was questioned about his search for the missing secret memo. He cast the blame for the persistent loss of that memo on the present Secretary of State for External Affairs.

The present Secretary of State for External Affairs certainly did not look amused when she was blamed for being responsible for a memo which has now been missing for three months.

Canadians across this country are concerned and worried. They do have other issues that they wish this government would pursue and deal with. However, we are also concerned that this government has cut off our opportunity to try to find out more clearly what has happened. The minister and present Secretary of State for External Affairs made her statement to our committee. It was a nine-page statement and approximately seven pages of that were devoted to ministerial responsibility. Yet the government denies the committee investigating this case the opportunity to call forward Gordon Robertson, a very respected Canadian and acknowledged expert in the area of ministerial responsibility. The government is not allowing this important person to come and speak to the issue of ministerial responsibility.

There is an article in yesterday's paper that I think expresses very well what I have heard from many of my constituents. It comes from the Saskatoon *Star Phoenix*. It says: "Whatever the explanation, the most singular thing about the whole business is the way in which senior cabinet ministers have dismissed their responsibility with shrugs. McDougall, Clark and all other cabinet ministers are paid by us to know what is going on in their departments. This is the essence of responsible government. Ministers are responsible for everything that happens in the departments to which they are assigned. If something is messed up, they, not civil servants who are forced to sign apologies, are ultimately to blame".

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to make the point once again in the House of Commons with respect to the action actually taken in the Al-Mashat case by the ministers involved, because the member once again reiterated the complaint that ministers should not have mentioned publicly the role of officials in the Al-Mashat case.

What ministers did, knowing of the arrival of Al-Mashat in Canada as an immigrant under the retiree provision, was cause for an investigation to be made within their respective departments. What that investigation revealed, and the member knows that because she

sat at the hearings of the external affairs committee and heard the testimony, was that two senior officials, both in the Department of External Affairs, knew before the entry of Al-Mashat into Canada that he indeed would be likely to be granted status as an immigrant and would arrive in Canada before March 30, 1991.

Those two officials had been involved in the process from the outset. In fact one of them, Mr. Raymond Chrétien, had received a telephone call from Allan Gotlieb that started the whole process.

The member knows that and the member knows that those officials had the particular responsibility for notifying the minister, in that case the Secretary of State for External Affairs. The method that officials chose to notify the minister was a memorandum, a memorandum dated March 8, 1991, which contained reference to the fact that Al-Mashat would likely come into Canada by March 30.

In reference to that memorandum, Mr. Raymond Chrétien said in his presentation to the committee that he read the memorandum and concluded that since Al-Mashat was no longer a defector, normal immigration procedures would apply: the ministers responsible, namely the Minister of Employment and Immigration and the Secretary of State for External Affairs, would be informed of the case. That is what he said.

Two people—forget the ministers—Mr. Paul Tellier, Clerk of the Privy Council and Mr. de Montigny Marchand, an Under-Secretary of State for External Affairs, two senior officials of the government, said that was an error in judgment to assume that the minister of external affairs would be notified. That was the reason why Mr. Raymond Chrétien was named in relation to this whole process.

Will the member answer this question? Are those two senior officials of the government wrong in saying there was an error in judgment? Who does she believe, Mr. Chrétien or Mr. Tellier and Mr. Marchaud?

• (1840)

Mrs. Stewart: Mr. Speaker, obviously we have heard in the committee testimony from different witnesses who have given different versions of what occurred with regard to the Al-Mashat affair.

Certainly it is not necessarily for us to judge whether or not there was an error. In the Secretary of State for External Affair own statement to the House she said: "When an error is made of which the minister is unaware, the minister acts to establish the facts, correct the error and satisfy himself or herself that it will not recur".

Certainly, if an error is made or if something goes wrong and a mistake is made, the ministers are responsible after they have taken on and accepted their own responsibility for what has happened. They do have an additional responsibility to research what happened and to try to correct procedures so that a similar incident would never occur again.

What is also quite interesting—we heard testimony from different witnesses and departments before the committee—is that according to many committee members there appeared to be as much liability on other departments as there was on the Department of External Affairs. Yet officials in the Department of Employment and Immigration and the Privy Council itself bore no responsibility and no blame for what happened. That certainly is questionable.

Mr. John Reimer (Kitchener): Mr. Speaker, I rise today to speak on the most fundamental principle underlying our system of responsible government, the constitutional responsibility of ministers.

Recent events, of which we in this House are all aware, have given rise to considerable comment from members of Parliament—as we see here today and in Question Period in the past few weeks—the public and the media about the nature and practice of this principle. Indeed the motion which we are debating shows that interest in this principle is alive and as well in this Parliament as it should be.

I wish to first address the motion itself. On its face it is a very straightforward motion calling upon members of Parliament to announce their support for the doctrine of ministerial responsibility. The vehicle being used, as is conceded by the Liberal Party opposite, is a non-confidence motion. Were it to pass, it would require the government to resign.

However, we on the government side of the House can hardly accept this as a straightforward attempt on the part of the Liberal Party to encourage non-partisan all-party support for the principles underlying this doctrine to which this government has adhered faithfully in recent events.

It is a political ploy to embarrass the government. That is all it is. Let me therefore set out for this House the nature and elements of the doctrine of ministerial responsibility.

Ministers exercise powers bestowed on them by the Crown in Parliament and hold office at the pleasure of the Crown. The exercise of these powers, for which ministers are constitutionally responsible to Parliament, provides the foundation of responsible government.

The concentration of responsibility in the hands of ministers reflects the fundamental democratic principle that the power of the state must be exercised under the authority of elected officials accountable to the representatives of the electorate.

This enables Parliament to focus responsibility for the conduct of government on those of its members who hold ministerial office and who ultimately must personally answer to Parliament and hence to the electorate for their actions and the actions of their subordinates.

Ministers fulfil their responsibilities and are called to account by the House of Commons, for the exercise of their statutory authority in accordance with practice and convention. From the origins of our system, however, political circumstances rather than literal application of the principle of ministerial responsibility have governed the answerability of ministers. As Professor J. R. Mallory has noted, the minister's is a political responsibility.

What that means is that it is a political, policy setting responsibility. It is not a day-to-day administrative responsibility of the running of that department. Deputy ministers derive almost all of their authority from ministers. They advise ministers and administer the programs carried out under the statutory authorities exercised by their ministers. The tradition is that they are loyal to their ministers and are required actively to support and participate in the policy and administrative decisions taken by ministers individually and collectively. Put simply, deputy ministers are responsible to their ministers and are accountable to them.

Deputy ministers also support their ministers in answering to committees of the House provided this does not draw officials into partisan controversy or undermine the authority and responsibility of ministers. This role of officials has been enhanced and strengthened by the McGrath report which recommended that public servants be made more available to parliamentary committees. The government stated at the time that it supported this recommendation and recent events have borne out the government's commitment in this regard.

The concentration of responsibility in the hands of ministers is obviously the bedrock of parliamentary government. It is, however, a matter of observation that government is a large administrative enterprise. It is very important to recognize that it is not a modern phenomenon that ministers cannot know everything that is done under their authority. The phenomenon is merely more acute today than it was a century ago, and not prima facie proof of the irrelevance of ministerial responsibility. Ministers spend much of their time providing information to Parliament, indicating a need for the minister's ability to answer and provide information to be shared without however sharing his or her responsibility.

Professor Kenneth Kernaghan has noted: "It is now almost universally accepted that it is unreasonable to hold a minister personally responsible in the form of resignation for the administrative failings of his subordinates. The usual practice is that the minister informs Parliament that the fault lies with his officials and he promises that the offenders will be disciplined and their mistakes corrected. Despite frequent calls by opposition parties for ministerial resignations on the grounds of actual or alleged departmental mismanagement, in practice, ministers in cabinet do not resign as penance for administrative bungling in their department".

Professor Geoffrey Marshall, a leading British authority, sums up the doctrine and practice of ministerial responsibility as follows: "When action is taken of which a minister disapproves and", here is the more appropriate part, "of which he has not prior knowledge, there is no obligation on his part to endorse it, to defend the errors of his officials, or to resign".

In point of fact there is not a single case since Confederation of a minister resigning because of an error by an official. Applying the doctrine just outlined in summary form to the facts of the Al-Mashat case, I would note the following. All the evidence heard by those of us who were members of the committee that has been looking into this matter indicates the following.

First, ministers did not know anything of the Al-Mashat affair until after Al-Mashat had entered Canada legally.

Second, when the ministers were informed they took full responsibility by acting to establish the facts.

Third, when the facts were established they took appropriate action to ensure there would be no repetition and they sought an apology from those involved.

Fourth, ministers informed the House of how they had fulfilled their responsibilities.

Fifth, given the ministers' commitment to a thorough investigation and to making the facts public, and given the findings of the investigation and the nature of the report flowing therefrom, it became inevitable that the identity of the officials principally involved would obviously become public.

• (1850)

Early on in the debate that began in the committee, I contacted the Library of Parliament and asked them to do a study on ministerial responsibility as it might relate to this case. I read from the conclusion of the documents they sent to me. It is a document entitled *Individual Ministerial Responsibility, Resignation of Ministers in the U.K. and Canada*. Page 18 reads:

> Individual ministerial responsibility exists in both Canada and the U.K. as an important constitutional convention to the extent that Ministers must answer for the policies and activities of their departments. The purported obligation to resign where departmental officials commit serious errors does not appear to be a duty in either country.

That quote is very clear.

We also have the study which was adopted by all three parties of this House of the McGrath committee which also looked into the question of ministerial responsibility. I quote:

> The individual responsibility of ministers concerns the administration of their departments. It is no longer reasonable that a minister be accountable or responsible when, through no fault of the minister, senior officials misuse or abuse their powers.

In the next paragraph it reads as follows:

> The idea of a minister being responsible for everything that goes on in a department may once have been realistic, but it has long since ceased to be so. A minister cannot possibly know everything that is going on in a department. The doctrine of ministerial accountability undermines the potential for genuine accountability on the part of the person that ought to be accountable, the senior officer of the department.

That last point is something we rarely hear from the opposition benches.

In looking at all of the evidence that we have been receiving in the committee, it is obvious that the ministers did not know until after Al-Mashat was in the country.

Mr. Flis: Nonsense.

Mr. Reimer: The member says it is nonsense. The member was not even there.

The second point, the deputy minister, Mr. Chrétien, knew from the very first day, from February 27, about this case and what was involved in this case. You cannot in any way dispute that because it is accepted by everyone who was there at the committee. That deputy minister also agreed that this was a very sensitive, political case.

The minister gathered all the facts. I commend him on taking the time to get all the facts, which took four days as determined by the defectors committee. Once he knew that our immigration officials in Vienna had already provisionally approved the Al-Mashats under the retiree category, what did he do?

I am going to come to that. That deputy minister also, in responding to me and to some of the questions in the committee, said that although the new system of reporting instituted by the chief of staff of the minister was in place by January 1, from January 1 through to February 27 that deputy minister quite often used other means of communication directly to the minister. He did it by telephone, by directly speaking to him and by memos.

Now we say that he has to hide behind this process. No, he admitted quite often that he used other means. I just cannot see why people are not accepting that. He said it to us and it is clear.

When I persisted in my questions to him, he admitted that he did not just follow the new procedure but also made other types of contact directly to the minister. It is not, as the member for Winnipeg South Centre says, that he only followed procedures. No, that is not correct. He used other means.

He admitted that it was a very politically sensitive case. He also knew that his minister was going to Washington, to the United Nations and then to the Middle East. At that point he already knew what this case could amount to. He knew it was politically sensitive. Why did he not just pick up the phone and talk to his minister? Why did he not walk down the hall and see him? He could have. That is not being mentioned in here. I do not know why the opposition does not mention that.

Furthermore, he knew that CSIS had said: "He is not a defector". He knew it had said: "He has no value to Canada". He also knew that the PCO said: "No special treatment in this case". He also knew that the immigration officials said: "No special treatment in this case". He knew all of those things. Then, right when his minister is going to the most sensitive place related to this topic, right from where this ambassador came, he does not even tell the minister. I find that simply incredible.

The deputy minister knew where the minister was going and he knew that it could be politically embarrassing to that minister if it should suddenly leak out that Al-Mashat was seeking to come into Canada. He knew that could happen. What did he do? Instead of contacting the minister directly, which he did quite often, using his words "on other issues", he said nothing on this one. Instead of routing a memo directly to the attention of the minister he sent it through the system, to Mr. Vincent, then across to Ms. McCallion and then up to the chief of staff without even saying: "attention to the minister". That is incredible. It is almost as though he did not want the minister to see it.

If you wanted to subvert the system, delay it and put it aside for five or six days—it happened. I find it incredible because on other issues he talks direct.

An hon. member: That person is not here and cannot defend himself.

Mr. Reimer: Listen to the babbling brooks on the other side. They will get their turn. I did not interrupt them, Mr. Speaker, so I am sure you would want to point out that they should not interrupt me.

The debate today, instead of on ministerial accountability, should really be on accountability, by senior officers in their departments. Let me quote a person who has been at all of those hearings, one of the members of the media. In *The Ottawa Citizen* Ms. Marjorie Nichols says the following:

> In my opinion Raymond Chrétien, along with external's former chief of staff, David Daubney, ought to have been fired immediately when Brian Mulroney and Joe Clark discovered they had been betrayed by their own bureaucracies. There may be cause for the reprimand of others as well.

It is interesting that people in the immigration department accepted some of the responsibilities and apologized. I quote again:

> But there is no doubt that Raymond Chrétien is top honcho on the responsibility poll in this case.

You can hear the members of the Liberal Party babbling away over there. I am not focusing on Mr. Raymond Chrétien because he is the nephew of the Leader of the Opposition. I am focusing on him because of his position as the senior deputy minister in the department who quite often spoke to the minister, who admitted this was a politically sensitive case and that he knew more about it than anybody else in the whole Public Service. That is why I am focusing on him.

In conclusion, examining all the evidence we can see that: first, no laws were broken and nothing ethically improper was done in the handling of the case.

Second, there was no foreign influence nor any hidden espionage motives involved in any way in Mr. Al-Mashat's entry.

If the people on the other side would only listen, instead of always shouting from their seats, they would hear that I said that according to the evidence we heard so far this is what we know.

Third, ministers did not know anything about the case until after Al-Mashat had been in Canada.

• (1900)

Fourth, the issue was clearly embarrassing to the government: there is no denying that. It must, however, be kept in proper perspective. Canada's national security was not threatened and no laws were broken. Handling of this case outside the proper channels allowed a high profile individual to enter Canada quickly and without

the knowledge of the ministers. As a result of misjudgement by senior officials, ministers were embarrassed by this case.

However, at a time when Canada faces major challenges such as the very unity of Canada itself and grave economic questions and competitiveness in the international arena, what are we doing here? We are spinning our wheels on a ridiculous case that is a simple comedy of errors. That is all we are doing.

The opposition wants to somehow get at some minister. The ministers did everything they could once they knew. The real problem is not ministerial responsibility but senior Public Service accountability. That is the issue. As I said in quoting Marjorie Nichols, I think there are two people who did not carry out their responsibilities and should be fired.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I can honestly say that I have never seen such a disgusting display of dumping responsibility on people who cannot defend themselves or protect themselves. In my view it is an abuse of the privileges of this Chamber.

The member has quoted extensively from various sources. I want to quote from government policy and show how government policy has been violated over and over and over again since this affair began.

Let me quote from *Directions to Public Servants* on how public servants should behave before committee: "The preservation of the relationship of trust and confidence between ministers and public servants is essential to the conduct of good government". This member is talking about the impact on the country at a time of great difficulty.

Let me continue: "Matters of policy and political controversy have been reserved more or less exclusively for ministers, principally because political answerability on the part of officials would inevitably draw them into controversy, destroy their permanent utility to the system, and indeed undermine the authority and responsibility of their ministers".

The carrying out of the will of this House depends on an impartial and anonymous Public Service. I want to quote again from *Public Service 2000*, which the President of the Treasury Board announced on December 10 with great fanfare as government policy. It says: "The Public Service is, therefore, central to the structure of our democracy. Power flows from the Crown and is exercised by ministers who are responsible to Parliament. Officials advise ministers and are accountable to ministers. The constitutional responsibility of ministers is the cornerstone of the accountability of public servants".

This is the policy of this government. It further says: "Ministers are individually and collectively responsible to the House of Commons for the activities of government, including the management and conduct of the Public Service. Individually ministers are responsible for the administration of the decisions of the government and the activities of public servants falling under their jurisdiction. Collectively they are responsible for the decisions of the government as a whole and the activities of all of their colleagues". That is all of their colleagues.

This is a statement by this government on what its policy is. I can only refer to Dian Cohen's comments last week on *Canada AM* who said: "How does this government expect, as it says in *PS 2000*, to transfer more responsibility, more decision making, more independence, more of the kind of creativity we need as the world changes rapidly, to public servants if they are then going to be dumped all over in public by members of the government, including their very minister who is there to be responsible for the conduct of their department's affairs?"

The government has made it clear it is violating its own policy. As Dian Cohen said, Public Service 2000 is dead in the water.

The Acting Speaker (Mr. DeBlois): Order, please. Questions and comments period is not the time for a new speech or address. It is time to ask a question or make a comment. If you want an answer from the previous speaker, it is time to end your remark or question.

Mrs. Catterall: What I would like to know from the previous speaker is: How does this government intend to repair the terrible damage it has done? Will it do as the public accounts committee has recommended and set up a special committee of the House of Commons to deal with these issues? Will it do something to start moving toward restoring some sense of confidence in the Public Service so that its members can make decisions, know that they are not going to be dumped all over in public and that they do not have to be paralysed by worrying more about whether their decisions are going to please their political masters than whether or not they are good decisions?

Mr. Reimer: Mr. Speaker, I am going to repeat one thing that I quoted which had the support of the member. Her party supported the McGrath commission report.

In that report it says the following: "The idea of a minister being responsible for everything that goes on in the department may once have been realistic, but it has long since ceased to be so. A minister cannot possibly know everything that is going on in a department". I think the hon. member would accept that.

It goes on to say: "The doctrine of ministerial accountability undermines the potential for genuine accountability on the part of the person who ought to be accountable, the senior officer of the department".

I did not hear her speak about that part. There are two things here. There is ministerial responsibility for all the policy setting and what goes on in departments. There is also a second factor which the McGrath committee, to its credit, mentions here, that there is also senior officer accountability. That is the other factor.

If we dwell only on the one to the exclusion of the other, how can we ever get true accountability within the person who in some cases is genuinely accountable, and that is the senior official in the department?

Therefore I think what happened in this case is very simple. The opposition is dwelling on one side of the coin. I am trying to dwell on both sides. Ministers are accountable, no question, but so are senior public servants.

Mr. John Brewin (Victoria): Mr. Speaker, just let me say that the major speech of the hon. member was a hatchet job on public servants who do not have an opportunity to defend themselves. I agree with the previous member that is an unacceptable way for a member of this House to conduct himself.

The issue before the House is the accountability of ministers. The thesis that the member put forward would leave ministers to be able to just walk away from any decision that is made. The issue here that underlines this case, which so offends Canadians who have to see their relatives and friends stand in line for month after month after month, is that this particular person was allowed to skip the line.

This government and these ministers are responsible for that.

Mr. Reimer: Mr. Speaker, I am glad the member raised the second point in his question.

There is no question that many Canadians very frustrated by the fact that their friends and relatives simply cannot get in. It takes months and months, if not years, and here is someone whom I do not think very many Canadians would want to admit into the country if they knew all of the facts, suddenly coming in very quickly.

That offends all of us, and I agree with the hon. member on that. I am terribly offended by the fact that person jumped the queue the way he did. I find that offensive. But the question now is: How did it happen? Who did it? Not a single minister knew about it until after the person was here. That is the key point. Therefore, how did it happen? It happened because some people unfortunately did not tell their minister.

• (1910)

I am convinced that if the senior official in that department had gone directly to the minister on this case, as he admitted to me he quite often did, the minister would have said: "No way do we admit him now when I am going to the Middle East. You put that one on hold and back to the back of the line and we will reconsider it later".

There is no question that is what would have happened. I agree with the hon. member that this member should never have been allowed to jump the line. Why did he jump it? Because some senior public servants allowed it to happen.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, a former cabinet colleague of mine in the Dave Barrett administration, Ernie Hall, when something went wrong in our government, once quoted what he called a Limey proverb to the effect that if something happens once it is happenstance. If there is a second happening that is a coincidence. If it happens three times then somebody is managing the affair.

The hon. member from Kitchener has described a litany of events which all conspired together to make sure that none of the cabinet members knew about this incident, this case, this person who wanted to come in.

We are asked to believe not one, not two, not three happenings but a whole litany of events conspired together to make it possible. It is difficult to believe. I am not saying it is not the truth, but I am saying it is very difficult to believe.

As I say, twice is coincidence. Third is getting unbelievable. When it gets to 13 and 33 then we have to wonder if somebody is not managing the events.

The question was asked earlier in the debate: "Are we not dealing with this out of all proportion to the importance of the case?" I am inclined to agree with that.

Certainly I am as concerned as other members are about the way in which one person was able to jump the queue in the way that person did. I must have close to 100 open files in my office where people have been trying to get admission to Canada. Some of them are from as long ago as the election of 1988. They still have not completed the process, yet this one particular person was able to do it within 28 days.

Had one of the 100 or so who concern me right now managed to jump the queue then I would say: Yes, something went wrong. The system broke down. It was just too easy compared to all the rest.

When a very high profile person such as this jumps the queue then I have to wonder. I cannot say all these people are not telling the truth, but I really have to wonder whether it is possible for all those events to come together. It was not just a casual person brought in out of all the people who want to immigrate into Canada. It is this one particular person who from all the rest is the fortunate recipient of all of these happy events which combined together to make sure that he was able to enter Canada legally.

It strains the bounds of credibility. I have a great deal of difficulty in believing that it could be so easy for one high profile person with a well-known name when none of the people with whom I am dealing can find a way of getting in even within the regular time.

Having said that, I still think we are spending more time on this than it is worth. The part that bothers me—I have highlighted just a few words in the motion introduced by the Official Opposition—is that ministers are responsible for the activities of public servants falling under their jurisdiction.

I was a cabinet minister, and I certainly believe that. It does not apply just to cabinet ministers. You can recall the Leader of the Opposition in his speech talking about his experience as a lawyer. If someone delivered a document to my office—I ran an accounting business until some time after the election when I had to give up that part of my life—even had I been away on vacation, it was still my responsibility. If the client came in and complained about me losing something that belonged to him or her, I would not go to my staff and try to find out which one it was and then tell the client that it was so-and-so on my staff. I would want to know. I would want to find out who received it. I would want to trail it and see if I could not find it or have them find it, but there is certainly no point in me telling the client who was to blame. I had the responsibility.

For a while in my life I was a poultry farmer, an egg producer. Eggs have to be candled to check the interior quality as well as examining the exterior. I did not lay the eggs, but if a customer complained to me about the quality of one of those eggs that I was selling him there was no point in me blaming the chicken, finding out which hen laid it and saying that she was to blame. I was responsible. I was the proprietor and it was my responsibility.

In the same way the cabinet minister is responsible. I was a cabinet minister and I had problems in my department. It never once occurred to me to find out who the offending individual was with a view to telling people outside my ministry who that person was and what he or she had done wrong. I was the one who was responsible. I suppose, in different circumstances, President Truman said it in less than 20 minutes, much shorter and very concise: "The buck stops here".

I was the minister of that department and it was my responsibility. Things did go wrong and I wanted to find out who and why and to try to set in motion procedures to make sure that those same things did not go wrong again, and I never had that third happening. Sometimes a coincidence but never to the point where I was suspicious of the whole process. That is the cabinet minister's responsibility.

In this instance we are led to believe, as I say, that cabinet ministers did not know. Four of them who have been identified in debates in this House, should have known something about it. There was a paper trail and they should have known. In some cases it was suggested they did not get around to reading their mail. A lot of us do not get around to reading our mail, but if it is important mail we see it and we see it promptly. If not, we want to find out why not.

If there is someone in our office who has not done his or her job properly, we have a way of dealing with that person. Depending upon the severity and depending on the incident, there are different ways of dealing with it. But it would certainly never occur to me to blame one of my staff members if a constituent was not served properly or if the job was not done correctly. I do not do it all and none of us can. We all have help to do our work, but we are responsible for everything that goes out of our offices and everything that is done in our constituency offices.

Not often but occasionally we do get some credit. If there is any blame we cannot pass it on to anyone else. It is our blame and it is our responsibility.

That is the way it has to be in cabinet. Public servants and public employees do not have any way of speaking out. If they do, it is cause for dismissal. When public servants were named in this case, individuals named before the committee started meeting and before they started getting into the evidence, those individuals were named. That is not fair to people who do not have any voice. They can speak to their minister. They can speak to the person to whom they are responsible, but they have no right to say anything outside the minister's office about anything that has happened. They have taken an oath not to.

There is responsibility and there is loyalty.

The people working with the minister have to be loyal to him or her. Otherwise they do not belong there and they had better find another job. The minister has to demand loyalty. He cannot afford to have that person going out and cutting the ground out from under his feet under any circumstance.

I had that happen to me just once. The offending person said that he was just joking and did not mean it seriously, but it never happened a second time to anyone in the department. The person was not fired, but certainly the message got around that kind of conduct was not acceptable.

On the other hand, nobody in my ministry ever had to worry that I was not supporting them. If anything went wrong then I would have it out with that person, but it never occurred to me to say publicly that somebody in my department had done something wrong or that it was not my fault if things were not done right: in other words, that I did everything right but some individuals whom I would name were the ones who did everything wrong.

• (1920)

It does not work that way. That is not acceptable. The public has a right to know who is responsible. The premier or Prime Minister has the right to know who is responsible and not to have to blame a public servant or anyone else. The Prime Minister or premier goes to the minister and should not go any further. The minister should not tell the Prime Minister who is to blame. That is between him and his staff.

The loyalty has to work both ways if it is going to work at all. What kind of loyalty is there within the departments that were involved in this? How can any of the senior staff feel safe about the work they are doing? We are told that they admitted their blame, accepted the responsibility, confessions were obtained, should I say extracted from them? Certainly indications were that they were not willingly offered.

Mr. Harvard: Extorted.

Mr. Stupich: The word extorted has been suggested to me and I think that is appropriate under the circumstance.

If confessions were obtained in that way, how can anybody working with that minister ever have any feeling of loyalty or trust in the minister again? The minister found an easy way out. If something else goes wrong, the minister will probably find that same way out again. Would that not be the fear of anyone working in the ministries or the departments of any of those ministers?

Certainly I could excuse a person feeling that way, but not one of the senior public servants involved, even when the heat was on as much as it was, even when their names were released publicly, and even when it was told how much they had done wrong, said anything publicly until they were called before a committee. There they had to. They had no choice. They were loyal to the minister, but the ministers, three or four of them,

certainly had no feeling of loyalty to the senior public servants.

That is not good enough. It is not the public servants whose heads should roll. It is the ministers who should have from the beginning told us what happened and let it go at that. If they expedited his entry on short notice, why not say so and be done with it? That would have been the end of it. What can we do if they admit they are wrong? If they admit they did something they should not have done, that would be the end of it. We cannot pursue it any further once the whole story is known.

It has dragged on now for a month. Bit by bit we have found out more and more, but I suspect that we have yet to find out the whole truth. I doubt that we ever will, unless someone writes their memoirs and they are released some time in the future.

One of the hon. members suggested there is nothing wrong with the motion, that he or she accepts the principle of cabinet responsibility. We all have to accept that and, as I say, it goes beyond cabinet. It is in our whole lives. We have to be responsible to people, have loyalty to people working with us, loyalty to people who we supervise, and they have to be loyal to us, whether it is in business, at home, or whether it is as a cabinet minister. There is nothing really peculiar about it except that cabinet ministers have taken an oath, as have senior public servants. There is that exception, but there is really nothing new or different about the principle.

I welcome the comment from one of the government speakers saying that he could support this, would like to support it, believes it, but because of the nature of the operation of Parliament as a government member he has to vote against it.

The McGrath report has been referred to several times and one of the findings of the commission has been passed on to me. The report was endorsed by this House five years ago, I am told, in 1986. It specified that opposition motions should not be considered questions of confidence. I understand that since that report was approved by the House two opposition motions have actually been adopted by the House, not by voting but by unanimous consent.

That being the case and so that it will be possible for some government members or all of the government members to vote for this motion to show how they feel about ministerial responsibility, I want to move an amendment to the motion before us which would add the words:

> And that adoption of this motion not be considered a lack of confidence in the government.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I will take under advisement during a few minutes the motion moved by the hon. member. We now proceed with questions and comments.

[*English*]

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I have been listening most of the afternoon to the interventions by my hon. colleagues opposite. Just recently we heard from the member for Ottawa West and more recently the current speaker who may be able to answer this question for me.

Both these members seem to suggest that somehow ministers should always back up—I think those were the words used in one case—the decisions of their senior officials. I assume that they mean that the officials who have been chosen for their experience, their intelligence and their good judgment should be listened to in all cases. At least that is the impression I get from the hon. members opposite.

However, I think that if that were the case, if ministers should always agree with the decisions of their staff, always back them up, always stand behind the decisions of their staff, then the members must be telling me that they also believe that the staff, the senior public officials, made a good decision to let Mr. Al-Mashat into Canada without discussing this with their ministers.

I do not think that is what they mean. If that is what the hon. members mean then I take it that they are saying we should not have government by elected representatives but rather we should have government by bureaucracy, that the elected members do not have any position, that ministers do not have any position of

authority, that ministers are not in a position to make critical decisions when critical decisions must be made.

I have some difficulty with that kind of logic. It seems to me that if the senior officials were concerned about a decision as critical as this one, concerned enough to write memos and to certainly document the fact that they were taking this under some serious thought, they would also have ensured that ministers were informed in person so that there would be absolutely no possibility of any mistake about whether or not ministers knew this was being contemplated.

The only other possibility that I can garner from this, if the members opposite do not agree, is that the member believes that we should be governed by our senior public officials who should not be accountable, who may have great authority and great power but who should never be held to account for the fact that sometimes they do make errors in judgment.

Mr. Stupich: Mr. Speaker, I am not sure if the member was in her seat all the time that I spoke. Earlier on I thought I made it quite clear that there is some doubt in my mind as to whether the ministers did or did not know about this. I explained at some length that it is almost unbelievable such a chain of events should have happened, so many coincidences, and none of the ministers even heard about it.

We are talking about the top level of public servants, the highest level. All this was going on around the ministers and they did not know anything was happening. I find that hard to believe for a start. However, the member asks: "Should cabinet ministers agree with everything that their senior staff do wrong?" Of course not.

What I am saying is that if something went wrong in my department as Minister of Agriculture, I was the one who took the responsibility. I did not try to find out which individual had done something wrong, or even if I knew. I was the minister, not somebody else. I would take it up with that person individually.

• (1930)

When the premier was expressing concern about it I had to take responsibility, not the person under me. That is all I am saying. It is a ministerial responsibility. The minister is responsible. The premier is responsible when we get to the top, or the Prime Minister. We cannot go any higher.

As Truman said: "The buck stops here". As long as I was Minister of Agriculture I was responsible.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I will try to keep my remarks short. There has been a lot of rhetoric on this issue but it seems to me that there are two answers. Either the ministers knew or they did not know. If they did know then we have a full-blown scandal. They say they did not know and a lot of Canadians do not believe that story.

I hear that there will be a poll coming out, perhaps tomorrow, that will say that 78 per cent of Canadians do not believe the government's story.

Let us accept the government's line for just a moment. The ministers say they did not know, the bureaucrats did not pass the information along to them. If they did not know, would it not have been the responsible thing to simply admit responsibility? "Yes, there might have been a mistake here. There might have been a bungle there. But we are the ministers and we are going to take full responsibility".

[*Translation*]

Mr. Guilbault: Mr. Speaker, I thought the hon. member had a question to ask. I had risen to speak to this issue.

The Acting Speaker (Mr. DeBlois): The question and comment period is not over. I will recognize the member for Winnipeg St. James again and ask him to please conclude.

[*English*]

Mr. Harvard: I will conclude in just a moment.

Instead of accepting responsibility for this, the government and the ministers were cowardly and craven. What they did was look for a scapegoat, for defenceless public servants who could not defend themselves. What upsets Canadians so much is the government's cowardice and the fact that it would not admit to this responsibility.

My question for the previous speaker is quite simple. Does the previous speaker not believe that the honourable thing to do was to simply admit responsibility?

Mr. Stupich: Mr. Speaker, the actions of the ministers in identifying the public servants publicly before the

committee ever met is totally reprehensible. The honourable thing for them to do was to accept the responsibility, as the member has suggested. Then they could deal with it in their department as a separate matter, and that is not a public issue. Publicly those ministers should have accepted the responsibility for what went wrong in their departments.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Before resuming debate, I am now in a position to make a ruling regarding the motion put forward by the hon. member for Nanaïmo—Cowichan.

His amendment is out of order on two counts. First, it introduces a concept irrelevant to the main motion and, on this point, I refer to Beauchesne's sixth edition, citation 579(1), which says: "An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved".

Second, in Beauchesne's sixth edition again, citation 929 states:

[*English*]

"On an allotted day, during consideration of the business of supply, an amendment must not provide the basis for an entirely different debate than that proposed in the original motion".

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I rise today to speak on the most fundamental principle underlying our system of responsible government, the constitutional responsibility of ministers.

Recent events of which we in this House are all aware have given rise to considerable comment from members of Parliament, the public and the media about the nature and practice of this principle.

Indeed the motion we are debating shows that interest in this principle is alive and well in this Parliament. I may add that some of the comments on ministerial responsibility we have heard and read in recent weeks contain a number of misconceptions which have helped confuse the issue instead of explain how this doctrine was applied in Canada.

I welcome the opportunity to speak on this subject today. I hope to provide some clarification for members of this House and the Canadian public and address some of the key elements of this fundemental principle of our democratic system of government.

I wish to first address the motion itself. On its face it is very straightforward motion calling upon members of Parliament to announce their support for the doctrine of ministerial responsibility.

The vehicle being used, as is conceded by the Liberal Party opposite in the debate on a previous supply motion on medicare, is a non-confidence motion.

Were it to pass, it would require the government to resign. But we on the government side of the House can hardly accept this as a straightforward attempt on the part of the Liberal Party to encourage non-partisan, all-party support for the principles underlying the doctrine to which this government has adhered faithfully in recent events.

Let me therefore set out for this House the nature and elements of the doctrine of ministerial responsibility. Minister exercise powers bestowed on them by the Crown in Parliament thus providing the foundation of responsible government, and under the Constitution they are accountable to Parliament for their actions and the actions of their officials.

The concentration of responsibility in the hands of ministers reflets the fundamental democratic principle that the power of the state must be exercised under the authority of elected officials accountalbe to the representatives of the electorate. Public servants, in turn, are accountable to the ministers. They advise them and administer the programs implemented by virtue of the powers exercised by the ministers.

Former Auditor General Kenneth Dye was fond of saying that some public servants knew what was going on in their departments but ministers did not because the machine had become top unwieldy.

These powers are therefore conferred on ministers by Parliament, and ministers are accountable to the House of Commons.

Public servants also support their ministers in aswering to committees of the House, provided this does not draw officials into partisan controversy or undermine the authority and responsibitlity of ministers.

Ministers fulfil their responsibility and are called to account by the House of Commons for the exercise of their statutory authority in accordance with practice and convention. As Professor J. R. Mallory has noted, the minister's is a political responsibility.

It is, however, a matter of observation that government is a large administrative enterprise. It is not a modern phenomenon that ministers cannot know everything that is done under their authority. The phenomenon is merely more acute today than it was before.

How ministers deal with their responsibility for their officials depends on the circumstances and whether, for instance, an official took action that was totally unacceptable, without the minister's knowledge. Of course if the minister was not informed he cannot be responsible.

Briefly here are the essential components of this doctrine. Authority is conferred by the Crown and exercised by ministers who are accountable to Parliament.

Ministers are responsible for the actions of their officials whether they did or did not know what those actions were. When a mistake is made without the minister's knowledge the minister must establish the facts, correct the mistake and make sure it does not happen again. The minister informs the House of the steps taken.

• (1940)

From what I can see, precedents at the federal level in Canada support this interpretation of the doctrine. Professor Kenneth Kernaghan, in an article entitled *Power, Parliament and Public Servants in Canada: Ministerial Responsibility Reexamined* published in *Canadian Public Policy*, volume 3, 1979, noted: "It is now almost universally accepted that it is unreasonable to hold a minister personally responsible in the form of resignation for the administrative failings of subordinates." It is on page 36.

The usual practice is that the minister informs Parliament that the fault lies with his officials and promises that the offenders will be disciplined and their mistakes corrected. That is on page 387.

Professor Kernaghan also said: "Despite frequent calls by opposition parties for ministerial resignations on the grounds of actual or alleged departmental mismanagement, in practice in Canada ministers in cabinet do not resign as pennace for administrative bungling in their department". This quote is from page 386.

Addressing the same issue in a book entitled *Ministerial Responsibility*, Oxford, 1989, Professors S. E. Finer and Geoffrey Marshall, both leading British authorities on the subject, sum up the doctrine and practice of ministerial responsibility as follows: "When we refer to the individual ministerial responsibility we simply mean that for any action taken by or omission on the part of a civil servant, a minister or someone else is expected to provide information to Parliament. This, only ministers can do". "When action is taken of which a minister disapproves and of which he has no prior knowledge, there is no obligation on his part to endorse it, to defend the errors of his officials, or to resign", said Marshall at page 386.

Applying the doctrine just outlined in some reform to the facts of the Al-Mashat case, I would note the following. First, ministers did not know anything of the Al-Mashat affair until after Al-Mashat had entered Canada legally.

Second, when they were informed they took full responsibility by acting to establish the facts.

Third, when the facts were established they took appropriate action to ensure there would be no repetition and they sought an apology from those involved.

Fourth, ministers informed the House of how they had their responsibilities.

Fifth, given the ministers' commitment to a thorough investigation and to making the facts public, and given the findings of the investigation and the nature of the report flowing therefrom, it became inevitable that the identity of the officials principally involved would obviously become public.

Given the political and constitutional history of Canada, we have to conclude that this government has acted according to the above-mentioned principles and doctrine because since Confederation no minister has had to resign due to an error made by a public servant.

I have talked at length about the doctrine of ministerial responsibility and its direct application in this case, as suggested in the motion. I have no doubt hon. members will acknowledge that this government, through its recent efforts, has fully abided by this doctrine.

The Acting Speaker (Mr. DeBlois): It being 7.45 p.m., pursuant to Standing Order 81(14) it is my duty to interrupt the proceedings and to put forwith every question necessary to dispose of the motion.

Accordingly the question is on the motion moved by the member for Winnipeg South Centre. Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the yeas have it. Call in the members.

And more than five members having risen:

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

And the division bells having rung:

The Acting Speaker (Mr. DeBlois): Order, please. I have been requested by the chief government Whip and the chief opposition Whip to defer the division until a later time.

[*English*]

Accordingly, pursuant to Standing Order 45(5)(a) the division on the question now before the House stands deferred until tomorrow at 10 a.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

[*Translation*]

Mr. Gagliano: I rise on a point of order. It was agreed between the government Whip and myself to defer the division until 10 a.m. tomorrow. I know you have already so ordered, but you did not specify when. You just said until a later time. Perhaps hon. members should be reminded to be here at 10 a.m. tomorrow.

The Acting Speaker (Mr. DeBlois): To make perfectly sure the hon. members know exactly, the bells will ring at 10 a.m., as usual. The difference is that the division will be taken at 10.15 a.m.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

THE CANADIAN ECONOMY

REMOVAL OF THE GST

Mr. Mark Assad (Gatineau—La Lièvre) moved:

That, in the opinion of this House, the government should envisage removing the GST because of its unexpected and negative effects on the Canadian economy that will inevitably prolong the current recession.

He said: Mr. Speaker, it is with great pleasure that I take this opportunity tonight to speak on the GST because I would like to report a number of significant happenings since its implementation.

As the motion says, the GST is having unexpected and extremely negative effects on the Canadian economy. This is why I ask that the tax be removed, since it inevitably makes the recession drag on.

Of course, I do not expect the government to change the legislation overnight to abolish the GST, the goods and services tax. I realize it would not be realistic. I would not want hon. members or the public to think this is a simplistic motion. What do I forecast? The negative effects and their consequences for the retail business on top of the psychological effects of this new tax are like the proverbial straw that broke the camel's back.

• (1950)

We are still willing to discuss reforms, but I contend that we should consider reducing gradually the GST. I

believe that, from a psychological point of view, this would be highly significant for Canadians and the economy. The GST has had a negative impact. Figures show that prices and inflation have surged ahead. When you look at the number of people crossing the border to shop in the United States, you get an idea of the degree of rejection of this new tax by the public. It comes a time when we are feeling the effects of a recession.

All the experts in the field, and I will read you some quotes later on, have demonstrated that the tax was introduced at a very inopportune time, when the economy was slowing down. While this new and substantial tax is going to produce billions of dollars, it has greatly hampered the growth of the economy.

Mr. Speaker, if you look at the statistics for the last few months, you will notice a very negative reaction on the part of Canadians. I would like to note that when this transition happened, when the manufacturers' sales tax was abolished, all companies and all retailers were supposed to reduce their prices proportionally to the tax they had paid on the manufactured goods. Indeed, the government had said many times in this House that the price of several products would go down. But that has not been the case, except perhaps for automobiles. We have not seen any price reduction in several kinds of businesses. Whether it was hardware, clothing or any other product, there has been no reduction. So it was unthinkable to believe that in the over-all Canadian economy there would be a price reduction on all products on which the manufacturers' sales tax had been applied, that businesses would reduce their prices, that the GST would be applied and that we would save money. It is not the case at all.

[*English*]

The motion I brought before the House concerns the goods and services tax, the GST. It is not only an extremely major tax increase, it has had a psychological effect. All you have to do is check the figures to see how the retail sales took a dramatic drop in many sectors of our economy.

There is no doubt there was a reaction, be it cross-border shopping or a reduction in consumer spending. We would have to say not only is there a reduction in consumer spending but the amount of money we have had to spend has been curbed substantially. If you take into consideration all these factors, the GST has done great damage to the economy.

At the time when we felt the economy was slowing down, that we were going into a recession, it seems that common sense should have dictated that there should have been a delay at least of the GST.

The effects were detrimental and they are compounding. There were alternatives to the whole affair. Figures do not lie and we are seeing the results.

If you take the fact that there was an alternative solution for the way we tax our people, we consider that the government could have found a simpler way of finding additional revenue without penalizing the whole country and affecting the economy to the point that we are into a recession. It took them many weeks to admit that we are into a recession.

In the literature that has been written on the subject, everybody who is aware of global economics has reported that the tax burden has increased substantially in this country. They summed it up in this way, and I could not find better words: "At the risk of over-simplification, my assessment of the Tory tax change is summarized in this fashion."

He says: "It is less equitable and more complicated. The corporate tax increase has improved their position. It is a more stable and predictable source of revenue. It is more neutral and hence more efficient." That is corporate tax. It went down. It says here that basically the GST has turned out to be quite complicated, and a large number of small businesses that never had to deal with the manufacturers' sales tax were the big losers in this whole affair along with the Canadian people.

What I contend is that it does not take a degree in economics to realize that basic common sense is always the best answer when dealing with anything, even economics.

The major factor is that the government came in with a major tax measure without going into any kind of basic tax reform. The best example of all is New Zealand.

Two years prior to putting in the goods and services tax, it had a major overhaul, a major tax reform. It was quite remarkable. Taxes were lowered considerably. Prior to the GST, it lowered personal income tax substantially—I mean substantially.

Lately I have read that the New Zealand government was not impressed with the way the Canadian government introduced its GST. The New Zealand government realized that public perception was extremely important. It wanted to cover up the loopholes and it wanted it to be a progressive tax.

Before implementing the GST, it lowered the personal income tax substantially. By doing so, a lot of people in the economy were paying taxes when probably they had not before. If the New Zealand government was highly successful with its transfer, why could we not have taken a cue from it when we were trying to put in the GST.

Basically the whole situation rested upon the fact that the government decided to put tax over tax. Therefore, we are left with a situation where not only are we saturated, but we have signs of a tax revolt on our hands. Of course, the government will not admit it. The figures are there. We know that taxes, direct or indirect, have been put on the Canadian people in the last years. It has been detrimental.

I am not saying that the government is totally responsible. For the last 10 or 15 years we have needed a profound tax reform which we have not had. We have an elite in this country which dictates to our governments. It literally dictates to our governments.

If there is something that is fundamental in a democracy, it is the way we tax our people. Yet we are going along half baked. No research has been done, no political will has been put into our tax system to make sure that it is fair and equitable. How many Canadians feel that the tax system in this country is fair and equitable? None.

• (2000)

We have a gentleman over there. Thank God I do not know your riding and your name because your electors would certainly be on your back. You had better listen to your electors more often.

Mr. Sobeski: Tell them that you want to tax food like New Zealand. Tell us about the New Zealand tax on food.

Mr. Assad: Mr. Speaker, we will excuse him for his ignorance.

[*Translation*]

As I said, one of the most fundamental elements in a democracy is the way people are taxed. For years, not since this government has been in power, but for at least 10 or 15 years there has been a need for a comprehensive reform of our tax system.

We have a tax system which has become utterly inequitable and unfair. It does not take a degree in economics to realize that changes are imperative. Everywhere in our country people complain that the tax burden has become intolerable, that they have less and less leeway. The middle class is the backbone of a society. If the middle class is overtaxed, how the economy could be sound and progressive? It is impossible.

The goal of the motion that I introduce tonight—and I really do not expect the change to come tomorrow—is that we recognize at least the need for a reform. We must repeat it because the financial elite of our country tells us that everything is as fine as it can be, but it is far from true. If anybody should be knowledgeable in Canada, it is we, because we represent these taxpayers and we are very much aware that they cannot take it any more.

No matter what political party we represent in this House, we are at the limit. People have had enough of the tax system and they want us to have the political will, the courage and the honesty to say: "We want a comprehensive reform of our tax system." If we, who represent the people, are not in a position to recognize the needs and real interests of all Canadians, what exactly is our role in this House?

Are we speaking on behalf of the financial elite in this House, or are we speaking for all Canadians, especially the middle class, the backbone of our society? These are the things we should be discussing among ourselves. We have to recognize that it is essential for Canadians that we bring about a reform. It will never be said often enough.

If the decision makers in the government do not listen to those who represente the nation's 295 ridings, what hope can there be?

With this motion, we hope to start a discussion that will keep on growing. We also want to make sure that all the financial and even the social organizations will recognize the need and that they will keep pressuring those who represent them in this House, to let them know that it is time to consider the interests of all Canadians.

[*English*]

In conclusion, I am amazed sometimes to see the reaction of some of my colleagues across the way. They cannot make me believe that the people in their constituencies do not want to see a reform of the tax system, that they feel it is no longer fair and equitable.

We are not spokesmen here for the financial elite in this country. We are the spokesmen for all Canadians and especially the middle class, which is the backbone of this society. If we cannot have the political courage or the honesty to reflect what the people in this country want from us, what hope is there?

I would like to know where the hope is going to be for the rest of the Canadian people in this country. If there is anything more fundamental in a democracy than the tax system, you tell me what. There are probably two great priorities in this country; the constitutional political issue and the financial problem that we have. Unless we can face up to it there is no hope.

[*Translation*]

Mr. Speaker, I do not know if my time has expired, but I would ask you to give me a few minutes to sum up.

I think my colleagues opposite should go back to their ridings and poll their constituents. I do not have to tell them what to say; they know. But each and every one of us has a duty to fulfil here. Whatever party we represent in this House, we have individual obligations, and that is to reflect the concerns, especially the material concerns, of Canadians.

That is why I want all Canadians to put pressure on or seek the support of the member who represents them in this House to express their points of view. Together we could convince the government's mandarins, if you like, and say: Listen, we are not asking for miraculous changes, we are asking for a reform of our taxation system. It would be a first step. I am convinced that as soon as we consider a true reform of our taxation system, it will be a sign that we acknowledge the problem we are facing and that we have the courage and the political will to solve it.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I have to admit I prepared a speech to respond to my colleague, but, after hearing the remarks of the hon. member for Gatineau—La Lièvre, I must say he is right on two points. First, when he mentions—

Mr. Assad: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Gatineau—La Lièvre on a point of order.

Mr. Assad: Mr. Speaker, I think that under our Standing Orders there is no questions and comments period during Private Members' Business. If the hon. member wants to make a speech, let him do it, Mr. Speaker.

Mr. Vincent: I have a speech, Mr. Speaker, but I rather respond to the ludicrous comments of the hon. member for Gatineau—La Lièvre. So I was telling him that I agreed with him on two points. First, he mentioned that for the last 15 years we needed a tax reform in Canada. That is why we were elected in 1984. The second point, for which I will forgive my colleague, is that there was a tax reform, part I, in 1988—unfortunately, my colleague was not in this House at that time—where the personal income tax was reduced. My colleague not being here at that time, I can understand why he does not remember that.

He also talks about a fairer and more equitable system. It was the Progressive Conservative government that innovated after coming into office and that introduced a federal sales tax credit, the archaic tax that we had. It is this party and this government that introduced a tax credit. It was also the Conservative Party that took away the personal exemptions from all Canadians and replaced them with a tax credit, with the result that, before, under the Liberal regime, someone who earned $100,000 and had a personal exemption of $3,000, saved $1,500 in taxes. His neighbour, who had an income of $10,000 a year and the same personal exemption of $3,000, saved $200 or $300 in taxes. We have changed that, Mr. Speaker. Whether our income is $10,000 or $100,000, we are allowed a tax credit of $1,000 a year. It is advantageous for those on low incomes and it means as well that those who earn $100,000 a year will pay more taxes. This, Mr. Speaker, is how we make a system more fair and equitable.

• (2010)

The member spoke about tax reform. He forgot to mention his former colleague, Marc Lalonde, the Minister of Finance who, in 1984—

Mr. Della Noce: Oh, Mr. Petro-Canada.

Mr. Vincent: —created a tax credit for scientific research which, in 10 months cost Canadians, people from Trois-Rivières and Gatineau—La Lièvre ridings alike, some $10 billion. Minister Marc Lalonde made Canadians spend not $10 million but $10 billion for zilch over 10 months, one billion a month, Mr. Speaker.

That is one billion a month that the then government sent down the drain and it is this finance minister—and that was his first move—who put a stop to that scientific research tax credit which was draining the money of Canadian taxpayers.

I think that the hon. member for Gatineau—La Lièvre has no lesson to give. He talks about the GST. I would like to correct him on a number of points.

First of all I invite him to come to my riding of Trois-Rivières and see for himself in hardware stores and the like how prices have really come down since January 1. At the drugstore, prices have gone down. You will understand that I cannot do any advertisement, but in the car industry, prices have also gone down. This is my first point.

Mr. Della Noce: And sales have gone up.

Mr. Vincent: My second point is that the federal sales tax was 65 year old; it was hidden, invisible. Everybody used to pay it without knowing it was there.

When I was a student at the University of Sherbrooke to get my Master of Arts of Taxation in 1978, there was a course specifically on the federal sales tax because of its complexity. The professor we had, a distinguished tax expert from Montreal, Mr. Normand Guérin, used to say in those days: "I hope the federal government will get rid of this sales tax which is bad for Canada, bad for the industry, bad for everybody." They were saying that back in 1978.

The Liberal Party was in power. They had been relected but they never had the courage precisely to abolish the federal sales tax which was responsible in Canada for a $9 billion loss every year in goods production. Thirty-five thousand jobs are going to be created this year because Canadian companies are going to increase their output. And why are they going to increase their output, Mr. Speaker? The reason for it is very simple: Canada was the only country in the world which still had a manufacturers' sales tax. The outcome of it was that a company from Trois-Rivières wanting to sell abroad, would go to Europe, to Japan or to the United States and it had to include in its sale price an additional 13.5 per cent due to the manufacturers' sales tax.

Often these companies could not compete internationally—

An hon. member: It's not true.

Mr. Della Noce: Of course it's true.

Mr. Vincent: Mr. Speaker, I have been polite and I have listened to my colleague. Perhaps he could do the same. At least be polite.

Mr. Della Noce: Liberals don't know the meaning of politeness.

Mr. Wappel: It's not possible.

Mr. Vincent: It's not possible to be polite. I understand that with Liberals it's impossible to be polite.

I was saying that the company from Trois-Rivières did not have competitive prices at the international level, so it could not sell outside the country. Worse than that, the European company which came to Canada did not have a manufacturers' sales tax built in its products because there was no such tax in Europe. Consequently, products entering Canada were cheaper than Canadian products. Canadian products were more expensive because of the federal sales tax.

A major reform was needed and we have done it. The GST will make Canadian companies more competitive at home as well as on foreign markets. It means that if they produce more goods, they hire more people. It is important to emphasize that.

My colleague opposite the hon. member for Gatineau—La Lièvre, said: "Canadians are overtaxed, they cannot take any more." We agree with him on that, Mr. Speaker, but if he wants to be serious—

An hon. member: Ask him to say why they cannot take any more.

Mr. Vincent: If the Liberals really want to be serious, why do they not co-operate with the government in doing two things: first, reduce the deficit; second, stop asking for more money for new programs and for all sectors of the economy. They should stop asking the government to spend more if they really want to stop taxing Canadians, because what can the government do? It gets the money from the taxpayers and redistributes it through all kinds of programs. There has not been one day, in the seven years that I have sit in this House, that the opposition, whether it is the Liberals or the New Democrats, has not asked for more money.

Canada's credit card has been used to its limit. The banker now says: I am not lending you money any more. Start paying off your debts. You start paying off the $3 million that it costs you, every hour, in interest alone. You do that, and then you can start thinking—

Mr. Della Noce: It is the Liberal heritage.

Mr. Vincent: My colleague from Laval East is quite right: It is the Liberal heritage. Then you can start thinking about implementing new programs.

I realize that my time is up but, in concluding, I would like to invite my colleague from Gatineau—La Lièvre to take note of the economic realities of Canada, and to co-operate with the government so that we can first look after the deficit. If we do that, Canadians will automatically enjoy a better quality of life.

[*English*]

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, in the short time I have tonight, I am pleased to get an opportunity to speak on this motion which we can certainly support because I think for the first time in some time we actually have a truthful motion coming from the Liberals.

Part of the motion deals with the impact of the goods and services tax on Canadians, as we have learned in the last few days. It was the government's own Department of Finance which last week revealed the contents of the motion, and that is how the government either deliberately or through its usual bungling has shown that the revenues to the government under the GST are considerably higher than they were ever predicted to be.

Net GST revenues totalled $2.2 billion in the first three months of this year, 22 per cent higher than the $1.8 billion the government predicted a few months ago in the 1991 budget. Gross GST revenues, including the GST low income credit, were $2.78 billion. We can see by looking at the motion that is actually the truth of what is happening in our economy because of the goods and services tax which was brought in and rammed through this Parliament by the Conservative government. Business communities, consumers and Canadians all across the country are now facing the trouble in our economy, the recession which is being led by the policies of this government. The recession is being encouraged by the policies of this government in bringing in the goods and services tax.

We had in this House a debate about the goods and services tax, in which the then Minister of Finance said there was no other alternative, there was no other way to go, it was the GST or nothing. "Give us your alternatives", he said, "Tell us what you would do instead".

We certainly heard from the government on how it is driving Canadian consumers into the ground. We also heard from the New Democrats who presented, and we were the only party to do so in this House, a detailed alternative to the goods and services tax. We laid out the plans that we said could raise revenues for government. We could reform the manufacturers' sales tax so that government would have those revenues and be able to implement the programs that Canadians need.

• (2020)

That is why I do not think you can talk about the GST in isolation from the general taxation policies that this government has followed. If you look at some of the policies and ideas that our caucus has put forward, there is plenty of tax revenue out there. The fact is that this government and its friends from the Liberal Party over the years have failed to collect those revenues from the wealthy corporations.

A graph that was produced with the information from the government's own department is a very revealing one. It clearly shows what all Canadians know, that under the tax policies followed by the Liberals and now the Conservatives, the personal share of income tax has been rising and the corporate share has been declining.

This is a very interesting graph, as is the background material which I would be pleased to send to anyone who is watching and listening to the debate tonight.

I would like to indicate just what this impact means in a community. What does the GST mean to a community such as Prince George? The estimates tell us that the GST will mean that individual Canadians will be paying at least an extra $600 a year. People tell me that is a conservative estimate and that it is likely to be much higher. What that means for a community such as Prince George, with 70,000 people at $600 extra a year is that the Conservative Party of Canada is sucking an extra $42 million out of that community. It is no wonder people are suffering. It is no wonder that businesses in the area, as was indicated earlier this week when we had the debate on youth unemployment, are suffering. They cannot hire those extra students because of the difficulties they are having with the goods and services tax.

In my riding in a community just west of Prince George at Burns Lake there is a gentleman, Mr. Brown, who is really putting his principles on the line. I talked to him on the telephone earlier tonight. He has a small business there called Process 4 and he is not collecting GST. He is not collecting it on principle because he does not believe in the tax. He welcomes the day when the government's tax collectors get around to seeing him and take him to court because he is prepared to fight for what he believes. Not a lot of people will do that but in this case he will and I think he deserves our support for that because in fighting this tax he is certainly living by his principles.

In fact it is an anomaly. He has people who are tourists who have heard about his cause and are dropping into his store deliberately purchasing items from him because he does not charge the GST. You must know, Mr. Speaker, from your own riding, how much Canadians resent this very unfair tax. In fact it tells us that Tory times are taxing times.

I hope that in the next election campaign when the policies of our party go up against the policies of the other parties, it will be very clear to Canadians that the New Democrats stand alone among all of the parties. Even the Reformers are fudging on the GST now—they do not know whether to support it or be against it—and we are never sure where the Liberals stand.

At our recent convention in Halifax there was part of a resolution from my riding wherein we said we would abolish the GST and bring in a fair tax system. When I am back on the doorsteps in that next election campaign, whenever it is held, that is going to be a message we will take to the doorstep. My advice to Canadians from coast to coast to coast is, when those Tories phone—you know how they bother you at suppertime—to try to get you to vote for them, you should ask for your money back. Canadians should tell the Tory canvassers that they want their money back because of the unfair tax policies of this government. At the next election when the New Democrats form the government, we will bring in a fair tax system, fair to all Canadians. We will ensure the revenues are there for government so that we can have the policies and programs we need. We can do nothing more than that.

I call on the government members opposite to get up their courage and support this motion. Their government's own information tells them that the motion is true. Join with the rest of Canadians. Reject the goods and services tax and bring in a fair tax system.

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I welcome the opportunity to participate in this private members' debate and to speak most definitely and vehemently against the motion put by the member for Gatineau—La Lièvre.

I am disappointed in the motion, which suggests that government should envisage the removal of the GST and, in keeping with Liberal policy all the way along, offer no alternative.

There is no way this government or any future government is going to envisage eliminating some form of sales tax. I think we learned from the experience of the past 50 years that the old form of federal sales tax, the federal manufacturers' sales tax was fundamentally flawed, was out of step with modern society and simply had to be

replaced with something more up to date. That of course was the genesis of the goods and services tax.

None of the other parties came forward with any workable or viable alternatives. The Liberal Party had nothing whatever to offer and that is still the position of the Liberal Party.

The previous speaker from the New Democratic Party said: "Well, we had all sorts of alternatives". In fairness, they did. As I recall it, flawed as the old federal manufacturers' sales tax was, as bad as it was for Canadian manufacturers, putting them at a disadvantage with imported goods, in spite of all of that and understanding that, the NDP would still have retained that out-moded, out-dated, antiquated tax. They would have brought it back to 9 per cent from 13.5 per cent.

To make up the rest of the revenue which otherwise would have been gathered by the old federal manufacturers' sales tax, the NDP would, of course, have raised other income taxes accordingly and brought back estate tax. What a wonderful thing. It was the NDP in Saskatchewan which had the last estate tax, as I recall it and finally got rid of it in 1977 because it was so grossly unpopular.

The thought that after the toils of a lifetime, after paying income tax year after year, that the bit people could accumulate would be taxed away from them upon their passing is the NDP alternative to the GST.

I am really surprised that the hon. member has brought forward this motion after all we have seen and heard over the past number of months and years with regard to sales tax. It must be that the Liberal position simply never changes.

I recall a few years ago that the then finance critic for the Liberal Party, I believe it was the member for Etobicoke North, was dismissed from his position as the finance critic for the Liberal Party because he spoke the truth. He came forward with an honest assessment when he said: "Of course the deficit is a problem. Of course the deficit that we Liberals created over the last 20 years, the national debt, has to be addressed". He went on to say that there had to be reform of sales tax. For that and some other honest transgressions he was dismissed from his position.

It is interesting to note that the party's associate finance critic today, the member for Ottawa South, is quoted in *The Toronto Star*. We all know that if it is in *The Toronto Star* it certainly must be gospel, so I will not hestiate to repeat it here.

• (2030)

The current associate finance critic of the hon. member's Liberal Party says the Liberals have simply avoided the question of the deficit, simply accusing the government of mismanaging the nation's finances, but not saying what they would do themselves.

The party's associate finance critic, the member for Ottawa South, says this may work for an opposition party, but it will not convince Canadians that Liberals are capable of governing. He urged his colleagues to make the transition. That was a day or two ago, and it is unfortunate that the member who put the motion that we are now debating did not hear that, because the proposal makes a whole lot of sense.

Unfortunately, the hon. member for Gatineau—La Lievre has fallen into the old Liberal position of ignoring reality. Just do away with the GST, he says, we will not worry about $18 billion or $20 billion of revenue, and we have no alternative. We will just borrow some more. No problem. Perhaps by the end of the decade we will reach the point when every cent of government revenue will have to go to pay interest on the debt. There will not be anything left for the needed programs of government.

That will not matter, because maybe we can put a second mortgage and a third mortgage on the future of this country. That is the bankrupt position of the Liberals. It has been for the past 20 years. That kind of approach saddled us with a massive national debt. The interest charges on that debt are crippling the ability of the nation today and they offer more of the same.

I find that the position put by the hon. member in this private member's motion is certainly out of touch with reality. I was amazed when, and I believe I am quoting him correctly; he chastised this government for lacking the political courage and honesty to reflect what people want.

What an amazing statement, because time and time again people have indicated that they want to see the deficit dealt with. They view that as the number one

problem in the country. They want that deficit brought down and they want it eliminated.

How on earth can you do that? How can you reduce the deficit unless you take in more revenue on the one side and either hold or cut spending on the other? Clearly those are the alternatives.

The answer from the hon. member and his party opposite is: "Well, no tax increases." He is going to get rid of the GST, put nothing in its place, lose $18 billion or $20 billion worth of revenue and at the same time, day after day in this House, he and his party oppose every single government proposal to reduce spending.

It seems to me that if we are talking about having the political courage and honesty to face up to the problem, the debt which the Liberal Party created during the Trudeau years and the interest which has to be paid on it, we have to cut spending on the one side and take in more revenue on the other. There is no alternative to it.

The only fleeting or passing alternative is to continue to borrow. That is the Liberal way. You just continue to mortgage tomorrow to pay for today's programs. That is out. I think everyone in the country realizes that is not on anymore.

It is pretty clear to most people that the GST had to come forward. It would be nothing less than irresponsible to consider removing the GST at this point. The amazing thing is to offer nothing in its place. That is incredible. Canada waited for 50 years for sales tax reform. Members opposite and everyone in this House knows that sales tax reform was first proposed back in, I believe, 1940 by the Rowell–Sirois commission. The federal manufacturers' sales tax at that time had been in place for about 15 years. Even then, 50 years ago, it was obvious that it penalized Canadian manufacturers and created problems in that sector. So it was recommended that there be changes.

Subsequent commissions, inquiries and experts for 50 years recommended that something be done. Successive governments looked at this thing and occasionally they came to the brink. The Liberal Party, the Liberal government of those days came to the brink a few times, but lacking the political courage and honesty which the hon. member proposed this motion talks about, it would back off and resort instead to the easy way of borrowing.

Just borrow some more and put out the programs for people. We will not face them with the necessary tax measures in order to pay the bills. No, no, we will borrow. We will mortgage tomorrow to pay for these programs today.

That is the tragedy. That is why our government finally came forward, faced the facts and accepted the recommendations that have been suggested for over half a century, fell in line with modern society, with 48 other nations, with 19 out of 24 of our partners in the OECD and with most of the industrialized nations of the world and introduced a value added form of sales tax to replace the antiquated tax that we had.

Time will show that this was the appropriate measure. It will expand Canada's manufacturing base. It will expand Canada's industrial capability. It will expand Canada's exports and it will place our manufacturers on a level playing field with their competition. Canada depends on world trade.

I see that you are indicating that my time is almost up, Mr. Speaker. I just want to finish by saying that Canada depends very much on world trade. One out of every three jobs in this country depends on it. This is but one of a number of steps, including liberalized trade negotiations with other nations and with the United States, that we have embarked upon in an effort to to have a more competitive approach for our country leading to more employment for Canadians and a better future for our kids. That is what the GST is all about.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I think we have advised the Chair that I will be splitting the 10 minutes that we have allotted with my hon. colleague from Winnipeg.

May I begin by congratulating my colleague for bringing forward this motion. In the five short minutes that I have I want to make a few points, but I cannot begin without at least responding briefly to some of the comments that were made by my friends opposite.

I want to deal not with fiction, not with fantasy, not with fairy tales, but with facts.

The hon. parliamentary secretary had the audacity to say that this government has brought in fair taxation. In my view that is not a fact.

It is a fact that there have been at least 33 separate tax increases since 1984. It is a fact that the average middle income person in this country is presently paying approximately $1,500 a year more in tax than they were in 1984. It is a fact that, during that period of time, while the middle income Canadian has been paying more tax, the high income Canadian has been paying less tax. That, in

my view and I would suggest in the view of many Canadians, is not fair taxation.

The parliamentary secretary indicated that there was a major problem with our exporters because of the manufacturers' sales tax. That is also not a fact.

The fact is that exports and exporters were exempted from the manufacturers' sales tax for the most part, except for fixed assets. This was a fiction in effect brought in to justify the scrapping of the manufacturers' sales tax. There is no question the manufacturers' sales tax needed revision, no doubt about that. Let us talk about facts and not about fantasy.

The hon. parliamentary secretary said that the hardware stores in Trois-Rivières immediately started to reduce their prices on January 1. I was not there, but I can tell the hon. member that I was in Prince Albert at approximately that time. I was told by not one, but two hardware store owners that they had absolutely no intention whatsoever of going through 10,000 items in their hardware stores and changing the prices, despite the fact that they would not have to pay the manufacturers' sales tax and would get an exemption. In fact, their prices did not go down. They may have remained the same, but they did not go down.

I have a great deal of difficulty in believing that if that is what occurred in Prince Albert, it did not occur in Trois-Rivières.

What about the effects of the goods and services tax? There is no doubt whatsoever that the government did not anticipate a lot of the problems that the goods and services tax introduced.

I want to raise one of them. It is that the goods and services tax was not supposed to tax necessary items, but if there is one thing that is necessary—and I raise this in all sincerity—it is feminine hygiene products. They are not a luxury. They are a necessity and this government chose to tax them. That is an abomination. When I was official opposition critic for revenue I got many letters from constituents and from female Canadians across this country complaining about this. Members on that side have brought this to the government's attention. So far I have not heard an iota of sympathy for female Canadians. It does not care.

What about the rest of the goods and services tax? The proposition was that the goods and services tax would reduce the debt. That is also nonsense because when the goods and services tax was brought in, there was not a word about a debt reduction fund. In all of the previous budgets that the Minister of Finance had, there was not a word about the debt reduction fund. But the government finally realized what a cash cow the goods and services tax would be. It knew that Canadians were up in arms to the tune of 80 per cent to 85 per cent against the services tax, so it said: "Oh, oh, we had better do something", and it came up with this so-called debt reduction fund.

How do I know this? How do I know that this was a last minute thing? Because I got a letter today from the Minister of Supply and Services suggesting that we as members of Parliament respond to our constituents in a certain way. The first thing he says is: "What about the debt reduction fund?" He admits that it was mentioned in the February budget of 1991 and the legislation is not ready yet.

Of course it is not ready yet because it was not even thought of until the last minute to try and save this government from absolute and certain defeat at the polls on this issue and many other issues.

Let us talk about facts and let us not talk about fiction. There is no question that everybody wants the debt reduced, and I for one applaud that if we are going to have this onerous tax, totally contrary to the will of Canadians, at least we should have a debt reduction fund and it should go to reduce the debt, not go into the consolidated revenue fund to be spent by this government any way it sees fit. At least I applaud that much for this government.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I hope I get my full five minutes.

I want to say at the outset that this is a timely bill and a timely debate. I want to thank my hon. colleague for Gatineau—La Lièvre for bringing forward the bill. I congratulate him on a fine presentation.

The goods and services tax is a very cruel measure. Consider when it was brought in, at a time of high taxation. We all know about this government imposing something like 33 tax increases since it came to power in 1984. We all know that since 1984, since the Conservative government came to power, that the income tax burden, the income tax load on the middle class has gone up $1,500 per family. That is why it is a cruel measure and

that is why people are as mad as hell and they are not going to take it any more, to use a well-known cliché.

Another reason why this tax measure is cruel is because when it was brought in, it could not have been brought in at a worse time. It was at a time when the economy was going down and into a recession. Despite all the warnings from us, despite all the warnings from Canadians, the government went ahead and imposed this goods and services tax. That is how much it listened to Canadians and that is how much it is out of tune and out touch with Canadians. This is why I say it was a cruel, cruel measure.

The other thing, and this is why Canadians are so mad, is they feel that they have been had and that they have been betrayed. The Conservative members went around and said first of all that it was going to be neutral and then it was going to get a little bit of extra money but not a whole lot, and if there was some extra money, they would decide later what to do with it.

We hear the story that tracking shows they are getting something like $400 million more in the first quarter than expected and anticipated. The finance minister has the unmitigated gall to say that he is surprised. Tell me another one. If you can believe that, you can believe anything. It is not surprised. It knew in advance that it was going to get that kind of money. It knew in advance that it was an absolute cash cow.

Canadians are upset because the Conservatives promised us tax reform. Back in 1984, they promised us tax reform, and what did we get? All we got were tax forms that are even more complicated, not less complicated and higher taxes. That is an example of tax reform.

Let me just finish on a positive note. I cannot stand here and not offer some kind of alternative to the GST. This GST is not working. It is cruel, and Canadians want it to go.

We do have to look at the taxation system. People are very upset. They are paying too much. They are voting with their feet right now. That is why they are going to the border states. That is why they are crossing the boundary line.

Every time they go across the boundary line into the United States and buy something, they are telling those guys over there that taxes are too high, that the tax system in this country has to be overhauled.

I believe to my very core that the tax system in this country has to be overhauled. It has to be made more equitable. It has to be made more fair.

That is a pledge I make, and I think I can speak very fairly on behalf of everybody on this side. We know that the tax system is not fair. It must be overhauled. By golly, we are committed to it.

This tax is unfair. Canadians do not want it. They are telling Conservatives that over and over. Not only are they telling them with their feet as they go across the border to buy goods in the States, but they are also telling the Conservatives in the polls.

That is why they are down at 14 per cent. That is why they are going down to 10 per cent. Maybe they will even go out of sight. It is because of this darn tax system that they are using to beat us over the head.

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 8.47 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order (24(1).

The House adjourned at 8.47 p.m.

HOUSE OF COMMONS

Thursday, June 13, 1991

The House met at 10 a.m.

Prayers

HOUSE OF COMMONS

ORDER PAPER

Mr. Speaker: I wish to inform the House that due to a printing error there is a page missing from today's Order Paper. The order of business should appear as page 7 and contains the two government bills which may be brought forward today for introduction and first reading as well as bill No. 1 listed under Introduction of Private Members' Bills.

Copies of this page are now available from the Clerks at the Table.

I regret any inconvenience this may have caused hon. members.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 81—MINISTERIAL RESPONSIBILITY

The House resumed from Wednesday, June 12, consideration of the motion of Mr. Axworthy (Winnipeg South Centre): That this House affirm that Ministers are indivudually and collectively responsible to the House of Commons for the activities of government including the management and conduct of the Public Service; that, individually, Ministers are responsible for the administration of the decisions of the governement and the activities of public servants falling under their jurisdiction; and that, collectively, they are responsible for the decisions of the government as a whole and the activities of their colleagues.

Mr. Speaker: It being ten o'clock, pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the motion of Mr. Axworthy (Winnipeg South Centre), concerning the business of Supply.

Call in the members.

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

(*Division No. 13*)

YEAS

Members

Allmand	Anawak
Assad	Axworthy (Saskatoon—Clark's Crossing)
Axworthy (Winnipeg South Centre)	Baker
Bélair	Bellemare
Benjamin	Berger
Blackburn (Brant)	Blondin
Breaugh	Brewin
Caccia	Campbell (South West Nova)
Catterall	Chrétien
Clancy	Dingwall
Duceppe	Ferguson
Finestone	Flis
Fontana	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Gray (Windsor West)	Harb
Harvard	Harvey (Edmonton East)
Hopkins	Hunter
Jordan	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)	Lapierre
LeBlanc (Cape Breton Highlands—Canso)	Leblanc (Longueuil)
Lee	MacLaren
MacLellan	MacWilliam
Maheu	Manley
Marleau	Martin (Lasalle—Émard)
McCurdy	Mifflin
Milliken	Mills
Murphy	Nowlan
Nunziata	Nystrom
Ouellet	Pagtakhan
Phinney	Pickard
Proud	Prud'homme
Riis	Robinson
Rocheleau	Simmons
Skelly (Comox—Alberni)	Speller
Stewart	Stupich
Taylor	Tobin
Vanclief	Walker
Wappel	Whittaker
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—84

NAYS

Anderson	Andre
Attewell	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bouchard (Roberval)	Boyer
Browes	Campbell (Vancouver Centre)
Cardiff	Casey
Chadwick	Champagne (Champlain)
Charest	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Côté
Crosby (Halifax West)	Danis
Darling	DeBlois
de Cotret	Della Noce
Desjardins	Dobbie
Domm	Dorin
Duplessis	Epp
Feltham	Ferland
Fontaine	Fretz
Friesen	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Halliday
Harvey (Chicoutimi)	Hawkes
Hicks	Holtmann
Horner	Horning
Hudon	Jacques
James	Johnson
Joncas	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Littlechild
Loiselle	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	Masse
Mayer	Mazankowski
McDermid	McKnight
McLean	Mitges
Monteith	Moore
O'Kurley	Plourde
Porter	Pronovost
Redway	Reimer
Ricard	Richardson
Roy-Arcelin	Saint-Julien
Scott (Victoria—Haliburton)	Scott (Hamilton—Wentworth)
Sobeski	Soetens
Sparrow	Stevenson
Tétreault	Thacker
Thorkelson	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Valcourt
Van de Walle	Vankoughnet
Venne	Vincent
White	Wilbee
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wilson (Etobicoke Centre)	Worthy—117

PAIRED MEMBERS

Arseneault	Atkinson
Dionne	Foster
Hockin	Hughes
Marin	McGuire
Merrithew	Nault
Nicholson	Parent
Rideout	Schneider
Thompson	Wood

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Motion negatived.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to four petitions.

[*Editor's note: See today's votes and Proceedings.*]

* * *

• (1040)

[*English*]

BILL C-9

REPORT OF LEGISLATIVE COMMITTEE F

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I have the honour to present in both official languages the report of the Legislative Committee F on Bill C-9, an act to facilitate combatting the laundering of proceeds of crime without amendment.

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

* * *

WAGE CLAIM PAYMENT ACT

MEASURE TO ENACT

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)) moved for leave to introduce Bill C-22, an Act to enact the Wage Claim Payment Act, to amend the Bankruptcy Act and to amend other Acts in consequence thereof.

The Acting Speaker (Mr. Paproski): I must say that that bill has a Royal recommendation.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)) moved for leave to introduce Bill C-23, an Act to amend the Canadian Wheat Board Act.

The Acting Speaker (Mr. Paproski): That bill has a Royal recommendation.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

PETITIONS

COMMEMORATIVE STAMP

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I have the honour to present a petition today signed by people of my riding and the adjacent riding of St. Catharines which has to do with Marie Curie.

It states in the citation that, "We believe that the gift of the discovery of radium to heal the sick of the world deserves to be recognized by Canada". I wholeheartedly concur with this petition and would ask the government to consider this petition in its deliberations.

[*Translation*]

WAGE CONTROLS

Mrs. Shirley Maheu (Saint-Laurent—Cartierville): Mr. Speaker, pursuant to Standing Order 36, I have the honour to present a petition on behalf of a number of residents of Val-des-Monts, the Magdalen Islands, and other petitioners.

Your petitioners ask the government to reject wage controls and reaffirm its support for the exercise of bargaining rights by all Canadian workers.

EDUCATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, as a participant in an education initiative, I received an extraordinary response from petitioners across Canada.

Your petitioners argue that Canada wants to remain competitive on the international scene and maintain its status as a top-ranking nation and that Canada wants to reduce its functional illiteracy rate, which now stands at 38 per cent, in order to provide better training for its workers.

Wherefore, Mr. Speaker, your petitioners humbly pray and call upon Parliament to urge this government to promote and encourage national standards for education, in consultation with provincial and territorial governments, education professionals, employers and workers, parents, young people, volunteer organizations and ordinary citizens.

Mr. Speaker, these petitioners, whom I have the honour to represent and on whose behalf I have tabled these petitions come from Quebec and Ontario, and in the latter province from Nepean, Ottawa Centre, Orléans and Gloucester.

[*English*]

WAGE CONTROLS

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I have the pleasure to rise and present a petition today from people from Inuvik in the Northwest Territories, from Prince Rupert, B.C., Penticton, B.C., North Vancouver, Vancouver, Kelowna, and from Westbank, B.C., all objecting to the government's plans to introduce a wage freeze for its workers. They point out that such a wage freeze is an unwarranted interference with the collective bargaining rights of all workers across Canada. They believe the responsibility for inflation lies with the government's high interest rate, high dollar policies, and 33 new tax increases and not with runaway wage demands by workers from all parts of Canada. They also believe taking purchasing power out of the hands of consumers only deepens and prolongs the recession.

ROYAL CANADIAN MOUNTED POLICE

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I have two petitions I would like to present to the House today. They have both been certified by the Clerk under Standing Order 36. They are all okay.

The first petition is a very important one about RCMP services throughout the country.

The petitioners call on the government to ensure that there is proper funding for the RCMP. We know that a reprieve has been given on this for a year. We are thankful for that. Of course, it is most important that this government treat the RCMP importantly and provide the proper funding in British Columbia in particular, as represented by the NDP caucus there.

Supply

VIA RAIL

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, my second petition is one related to VIA Rail.

It is part of the New Democrat's "get Canada back on track" with proper VIA Rail service. It is particularly important in northern B.C., given the decision to come from the government on the future of remote services.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of constituents from Merritt, British Columbia; Hepler Creek, British Columbia; Savona, British Columbia; Vernon, Pritchard and Kamloops who again, as my colleague has indicated, are concerned that the government may be cutting back on RCMP funding.

As a result, they are concerned that this will add a considerable tax burden onto the municipal taxpayers. In the city of Kamloops, it would result in an additional $500,000.

The petitioners are asking the federal government to maintain its present level of funding in order to ensure a viable police force in our British Columbia communities.

Also, Mr. Speaker, as you would appreciate, the petitioners want a viable Canadian symbol of unity.

* * *

STARRED QUESTION

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, would you be so kind as to call Starred Question No. 33.

The Acting Speaker (Mr. Paproski): Starred question No. 33. Is that agreed?

Some hon. members: Agreed.

[*Text*]

OFFICIAL LANGUAGES

*Question No. 33—**Mr. Gauthier:**

Does the Government of Canada intend to regulate the language of work and equitable participation as the Official Languages Act empowers it to do, and, if so, when?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)):

—The power to make regulations in matters of language of work and equitable participation was included in the *Official Languages Act* only for use in the case of demonstrated need to clarify these obligations in law.

—Key obligations and commitments are already set out in the Act as well as in longstanding government policies.

—We will of course continue to examine on an ongoing basis the issues related to language of work and participation and revise policies and guidelines as required.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall all remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

MAIN ESTIMATES, 1991-92

Hon. Marcel Danis (for the President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1992 be concurred in.

The Acting Speaker (Mr. Paproski): Since today is the final allotted day for the supply period ending June 30, 1991, pursuant to order made Thursday, May 23, 1991, the House will go through the usual procedures to consider and dispose of the supply bill in view of recent practices. Do hon. members agree that the bill be distributed now?

Some hon. members: Agreed.

Motion agreed to.

* * *

INTERIM SUPPLY

Hon. Marcel Danis (for the President of the Treasury Board) moved:

That Vote 1 in the amount of $30,645,000, under Parliament—the Senate—Program Expenditures in the Main Estimates for the fiscal year ending March 31, 1992 (less the amount voted in Interim Supply), be concurred in.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am pleased today to seek concurrence for the Main Estimates and the Supplementary Estimates (A) for the fiscal year 1991–1992.

The Main Estimates total $158 billion. Through these estimates, the government is seeking Parliament's approval for $47 billion in new spending authority. The remaining $111 billion represents the statutory payments that have been previously approved by Parliament. These main estimates reflect our continuing commitment to control the spending and contain the cost of government.

Since taking office in 1984, this government has given high priority to reducing the cost of government operations, while still providing Canadians with programs and services they need.

This indicates our commitment to good management and to the careful stewardship of the taxpayers' dollar. In this regard, much has been achieved over the past six years.

Annual growth in program spending has been reduced on average to 3.7 per cent between 1984–85 and 1990–91.

• (1050)

Annual growth in operating and capital spending, including public service salaries has dropped to an average of 3.3 per cent, which is well below the annual rate of inflation.

The public service has been reduced since 1984–85 to roughly the same size as it was in the mid–1970s. These achievements show the government's commitment to increased efficiency through the rigorous control of expenditures as well as the implementation of innovative management practices.

Mr. Speaker, our record is one of success and we are confident that we are on the right track.

Growth in the Main Estimates is the outcome of a number of decisions affecting the budgets of all 142 programs delivered through 118 departments, agencies and Crown corporations appearing in the estimates. This growth can be divided into two broad categories: adjustment of statutory items, which amount to $7.2 billion and changes to the voted items, which amount to $2.7 billion. Therefore, only 27 per cent of the growth in the Main Estimates relates to voted items.

These estimates fully reflect the second–year impact of the expenditure control program announced by the Minister of Finance in his February, 1990 budget and the 1991–92 expenditure savings flowing from the expenditure reduction and management improvement measures announced by the former President of the Treasury Board in December, 1989.

Had it not been for these measures, the 1991–92 main estimates would be higher by some $2.7 billion. Again, these changes demonstrate the government's commitment to restraint and economic recovery.

In his budget speech of last February, our hon. colleague, the Minister of Finance, set forth a strategy for economic recovery. The strategy is designed to put the recession behind us and to move forward to continuing growth and renewed prosperity. Part of that strategy involves putting government finances firmly on the course towards a balanced budget. We are removing the build–up of the public debt as a source of inflationary concern.

In order to do this, the expenditure control plan announced in the 1990 budget is to be extended for three years, to 1994–95. The government is legislating mandatory program spending limits. This should provide Canadians with greater assurance that program spending will be managed within the fiscal framework.

We are establishing a debt servicing and reduction fund—and that was introduced yesterday in the House—solely dedicated to offsetting the costs of the public debt. By law, all revenues from the goods and services tax and from privatization will flow into the debt servicing and reduction fund.

In his budget, the Minister of Finance also announced a number of reforms intended to bring about both immediate savings and lasting efficiencies in government programs and services.

Apart from the measures I have just mentioned, the government is imposing tight controls on the cost of government operations, which are expected to produce a savings of nearly $870 million in the current fiscal year. Over the five-year planning period to 1995-96, cumulative savings will amount to over $5.2 billion.

The budget also contains measures that, beginning in the 1991-92 year, will restrain spending on programs and operations of federal departments and agencies.

First, over-all spending on operating and capital for existing programs will be effectively frozen to the 1990-91 level. This will be accomplished by a 3 per cent cut in the Main Estimates in the operating as well as the capital budgets of each department. We have frozen departmental salary budgets for 1991-92 and we have just recently advised the public service union leaders that we have lost the flexibility to negotiate any wage increase this year.

Second, the government will reduce the cost of grants and contributions by $75 million. The Hon. Harvie Andre, the government House leader, has met with his colleagues and discussed how these reductions can best be achieved.

Third, the government will streamline its operations by reducing the number of its executives by ten per cent. This reduction is being achieved through a government-wide program aimed at decreasing to three the number of levels of executives below the deputy minister. This will streamline departmental operations, reduce costs, improve the speed of decision-making and generally increase the authority given to public service employees in the regions and at the point of service delivery.

These three measures alone will generate savings of $760 million. These savings enable us to ease the pressure on essential programs and services. The battle to bring down the deficit continues, however, as does our search for ways to deliver programs and services better and more efficiently.

So, Mr. Speaker, innovative management practices will remain a priority for this government. The government has been increasing its effort to extend user charges within the principle of fairness and equity. Through these efforts, the burden of financing activities that provide benefits to specific users is being shifted more towards those users and away from taxpayers generally.

Revenues from external user fees now exceed $3 billion, which is more than double the 1984-85 levels. The government is continuing to seek out new areas where the application of user fees is appropriate. This program promotes greater management discipline and operational efficiencies, since market forces are brought to bear on both the demand for and the supply of services.

The government believes that many services and functions are best carried out by public service employees. However, to provide a full range of options for delivering services to the Canadian people, certain functions are better done through contracting out where this is in the public interest, either in terms of cost, efficiency or quality of service.

Special operating agencies continue to be a viable mechanism for improving the delivery of public services and providing good value for the taxpayer's dollar. Over the past year we have established five agencies, among them the passport office, which have had positive results. Six more agencies have been announced through these Main Estimates including the Canadian General Standards Board and the Canadian Conservation Institute. More candidates will be identified in the coming year with a strong emphasis on organizations that directly serve the public, where the potential for improvement is greater.

Privatization will remain a key priority. The government's program has already devolved more than 18 Crown corporations and other corporate holdings to the private sector and other levels of government. The government will privatize CN Exploration, an oil and gas company, and will wind up Petro-Canada International Assistance Corporation and the Canadian Oil and Gas Lands Administration. These measures reinforce the consistent action the government has taken since 1984 to control the cost of government operations. They are also expected to engender considerable changes in the way departments and agencies do business—that is, in the nature and type of resources used as inputs, in the technology applied and in the organization and methods of program delivery.

The Main Estimates you have before you are those of a government serious about restraint and serious about reform. We are determined to cut expenditures and to organize and operate government operations in a manner that suits the real needs of Canadians.

I note that one of the motions today, Mr. Speaker, is about the Senate. I don't know where the New Democratic Party stands on the Senate. I hope the hon. member for Kamloops will enlighten us, but it has always been my understanding that they have wanted to dispose of the Senate, to get rid of it.

• (1100)

Now we hear them saying— if I believe what I read in the newspapers—that maybe they do not want to get rid of the Senate; maybe they want the Senate to stay as one of the institutions of government in this country. If that is the case, I hope the hon. member will enlighten us and explain to us why they have had this change of heart. Since I have been here, and it has been a few years now, they have always believed that the objective of the New Democratic Party was to eliminate and abolish the Senate.

In that vein, I do not think any of them, or very many of them, have ever taken an appointment. We can speculate now that perhaps the New Democratic Party is hoping that somewhere down the line it will be able to take some of its senior and long serving members and appoint them to the Senate. I look forward to comments from the hon. member for Kamloops as to what the intentions of his party are.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, let me make the point very clearly to my hon. friend from Burlington—

The Acting Speaker (Mr. Paproski): Since there are no questions or comments, the hon. member for Kamloops.

Mr. Riis: I appreciate the co-operation of my hon. colleagues to permit me to get to an important committee meeting. Let me say right from the outset to my hon. friend from Burlington that I consider the existing Senate of Canada to be a parliamentary obscenity.

I believe that the present Senate is undemocratic and has no place in a modern democracy. We have been on record since day one. I must say we have never accepted one of those obscene appointments as members of the New Democratic Party. We will not accept becoming some appointed hack, a bagman, or some kind of political flack to the Senate. The New Democratic Party will not accept an appointment to an obscene institution in our democratic parliamentary system. I think that makes our position relatively clear.

I want to say that my hon. friend from Burlington was pointing out ways that the government was hoping to save money. Let me give him an excellent way to save money. That is why I propose this motion that we save ourselves $30,645,000 by cutting out the operating funds for the Senate of Canada.

Some people might say: "Well, listen, those folks over there do a fair bit of work, don't they?" I am going to share with you some information which I think will make any decent Canadian sick. Is the Senate working? Are the senators working on our behalf, on behalf of the citizens of Canada now?

During the month of February the Senate sat for a total of nine hours and five minutes. All month long the House of Commons is sitting day after day after day. The committees are meeting day after day, and the Senate manages to sit for nine hours and five minutes.

On top of that, this is the same group of people who wanted to get themselves $153 a day bonus to show up to work in the Senate. They would not make much money considering how often the Senate even comes together.

I want to say that during January it was even worse. Some days it met for one hour. Another day it met for an hour and 40 minutes. That was a pretty major working day. Then in March the Senate sat for a total of 12 hours and 40 minutes. In April it sat for a total of 12 hours and 40 minutes again and in May it sat for a total of 15 hours and 50 minutes.

In other words, what most people would do in an average working week, the Senate took four months to accomplish. This is, as I say, a parliamentary obscenity. This is wrong. This is an abuse of the parliamentary system. This is undemocratic.

My hon. friend made some cynical comments about what he thought might be our position. This comment is from the member of a government that appointed eight more senators. It had too many senators, and the government said that in order to jam legislation through the Senate that the majority of Canadians oppose, it was going to have to do something never done before in parliamentary history. It was going to add eight new Tory appointments. It found some flacks out there who had been long-standing members of the Conservative Party and gave them, if you like—

The Acting Speaker (Mr. Paproski): I just must bring to the attention of the hon. member that whatever he may think, we still do have respect for the other place. I ask him to be very careful on how he expresses his views with regards to the other place. I would just like to bring that to his attention, and I think he understands what I mean.

Mr. Riis: Respect for the other place. From my comments, Mr. Speaker, it would almost reflect that I do not have respect for the other place, but technically speaking I suppose I have to say that I respect the Upper House, the Senate, the other place.

The Acting Speaker (Mr. Paproski): Let me just bring to the hon. member's attention, who has been here for a long time now, that the word obscene, for example, with reference to the other place, is unparliamentary. If he wants to refer to rules of debate on Beauchesne's, page 112, he can see that for himself. But I would like him to make sure that he does have a little respect for those who are in the other place because I do not think they talk like that about us here in our Chamber.

Mr. Riis: With all due respect, Mr. Speaker, I think the ruling from Beauchesne's would read that you cannot refer to an hon. member as being obscene. I am talking about an institution that I consider to be obscene. I think, in terms of parliamentary procedures, that is appropriate.

If this is offensive to some people I can think of better words or other words.

Mr. Baker: Mr. Speaker, if the hon. member who presently has the floor would check, I am sure he would find not only in Beauchesne's, but in Erskine May, in the Standing Orders of this place and in every other legislature in Canada, that it is not just a custom but written in the rules that you not make disparaging remarks in any way about the other place so referred to or about the judiciary.

The Acting Speaker (Mr. Paproski): I do not think I should go any further than that. The hon. member for Kamloops understands clearly. The hon. member for Kamloops has the floor.

Mr. Riis: I am just absolutely amazed, Mr. Speaker. We have the Liberals trying to justify their Senate appointments which are equally unacceptable.

Some hon. members: Just follow the rules of the House.

Mr. Riis: The rules? Listen, Mr. Speaker, the people who are suggesting that I should be following the rules are the people who abuse the rules often in this House.

Some hon. members: Who?

Mr. Riis: I am talking about the people opposite who from time to time have traded a new phenomenon and broken every tradition and every regulation that we have ever had in this House. All of a sudden I cannot refer and I cannot break any traditions.

Out of respect for this institution, I am not going to refer, as I did earlier, to the Senate in ways that reflect my views, but I simply want to say that the present government, naming eight extra senators, breaking long-standing conventions in terms of behaviour—

The Acting Speaker (Mr. Paproski): I will just bring it to the hon. member's attention one more time. I do not want to be argumentative with the hon. member, but I would just like to refer to our new Standing Orders, Chapter II, Standing Order 18:

> No Member shall speak disrespectfully of the Sovereign, nor of any of the Royal Family, nor the Governor General or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof. No Member may reflect upon any vote of the House, except for the purpose of moving that such vote be rescinded.

Mr. Riis: Oh, Mr. Speaker, I will follow the rules, but I will tell you I do not do it very enthusiastically. My views of that institution are well known and perhaps I do not have to reiterate.

Mr. Darling: Why repeat them?

Mr. Riis: "Why repeat them", my hon friend says. It is because I do not think he understands just what is going on over there. He is prepared to continue to shovel out millions and millions and tens of millions of taxpayers' dollars to keep that very gracious and appropriate and historic institution as it is. Well I say it is wrong. I say it is a waste of taxpayers' money and I bet if you went out across Canada and asked all 26 million Canadians, with the exception of about 112, that people would be in

favour of disbanding the Senate in its present form. That is what I am suggesting in this motion.

Mr. Mills: They would like to ban us too.

Mr. Riis: "They would like to ban us too, my hon. friend from Toronto says".

I want to point out that with the senators working as I have indicated, nine hours in February, twelve hours in March, twelve hours in April and fifteen hours in May, it comes to about $2,425 a minute. I ask myself what we get out of the Senate. What do we get from the Senate? Do they criticize appropriate bills and so on? No, I do not think so.

• (1110)

An hon. member: They play with kazoos.

Mr. Riis: That is right. They blow kazoos and do all kinds of interesting things.

Is it worth $2,425 a minute? I say no. My party says no. That is why we put forward this motion—and we will ask hon. members to vote on this shortly—to remove from the act granting Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1992. We are suggesting that we reduce this particular bill by $30,000,645 so that the senators will not have any operating funds. That will send a pretty clear message as to what we in this House think of the other place.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, to me as one of those 26 million Canadians, this is news that the NDP is now viewing the Senate with this incredible eye and with this incredible vision.

As the hon. member was attacking the Senate and attacking the waste of time that happens in the Senate, I tend to agree with him. Also at the same time I would like to see the hon. member looking at this House and the waste of time that happens in this House from time to time, from both sides of the House, the government side as well as the opposition side.

To talk about accepting an appointment to an elected body, I thought the hon. member probably would not even raise this question, especially in light of the latest array of appointments that was given to members on both sides of the House, or to members who were in this House before and are now enjoying some high-profile appointments on different boards and agencies.

That is not to suggest that we do not have fine people in the Senate. We do have some of the finest people in our Senate who have served their duties both in the communities and in this House.

Therefore, I do not think it is fair to attack the Senate and attack the credibility of the Senate in terms of the quality of the people serving there. I think if we are to look at the issue, we should look at the system as a whole.

It has been echoed by the Leader of the Opposition. As well members of the NDP have been calling for an elected Senate for some time. I understand that now the government is addressing the question of an elected Senate. I think we should be moving forward in that direction. I do not think it will serve this House or the Senate to attack the credibility of the people who are there, although in every apple tree there are some defective apples. I think you will find that in every segment of our society. If there are those who are not effective in the Senate or in the House or on any other board, I think only time will tell and their term will come to an end.

I would like to congratulate the hon. member for at least addressing the issue, though I disagree with certain aspects of his presentation. I would hope that this opportunity will be taken by the government as well as the opposition to start bulldozing it through with reforms, in particular of the Senate and also of the House of Commons.

I want to take this opportunity to say how disappointed I was when yesterday I read in the newspapers, of the past few weeks the major assault that was going on against our senior public servants.

I will close very shortly. If there is any reform, that is the area we should reform. There is no minister, no member of this House, no elected official anywhere in either House who has the right to attack public servants. These people serve this community extremely well, and they are not and should not ever be again subjected to this assault.

I think that applies to all sides of the House, and we have all participated in this assault on our senior public servants. I just want to end by asking my colleague whether there is a change in terms of policy *vis-à-vis* the NDP views of appointment to boards and agencies or whether it has singled out the Senate in particular.

Mr. Riis: The motion singles out the Senate. I do not have a chance to talk about other appointments. I am not suggesting that no one should ever be appointed to any hard working contributory board; I am just saying that the Senate does not contribute anything to Canada.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, as I understood the hon. member for Kamloops, he was not taking a shot at the senators in a personal way. He was talking about the fact that there may be room here to eliminate some waste in terms of the money that is being spent.

Of course, with that concern for waste right now when everybody in the country is going through reorganization, there is no way we can exempt either House from that process of review.

I think he should also pass on these words of watching for waste or spending money that is not necessarily needed or that could be used more wisely. I think he should also pass on this concern to his friends and fellow NDP colleagues in the province of Ontario. We do not want a situation to creep into the province of Ontario. It can creep into anyone who has been around for a long time. Already, and we are not even talking a year, just this week it was announced that our premier, for whom intellectually I have a lot of respect, got a Question Period preparation team. They have calculated with this new budget he has acquired that it costs the taxpayers of Ontario close to $1,000 to prepare him for every question that we ask him.

Therefore, I think that yes, we have to eliminate waste in the Senate here. However, I think wherever we have friends in government right now we have to pass on that message I think Canadian taxpayers are equally concerned about all levels of government and the way we handle their money.

Mr. Riis: I appreciate the intervention by my hon. colleague. Yes, Canadians are concerned about how all levels of government are spending their tax dollars.

There is a reason for this motion today. If there is unanimity in the land on a single issue, it would be that the Senate as we know it today should be abolished. I have yet to run into a single person in my life who comes to me and says that he or she thinks the present Senate is doing a wonderful job and is worth $30 million a year in operating funds.

I have not found anybody who says the Senate is worth $2,425 a working minute. I have not found anybody. I have never in my life encountered a single person. That is why I say on this one issue that I think we can all agree the Senate as we know it today does not perform a valuable and useful function in a democratic society. As a matter of fact, it is an undemocratic society by definition.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I was amazed to hear the hon. member for Kamloops make the speech he did. Having heard his speeches on the subject of the Senate in this House recently, for him to have the gall to get up and make that speech has to be one of the most extraordinary performances in Canadian politics in recent years. He has shown himself to be as two-faced as one could be on this issue. The hon. member knows that. I know he wants to object to this.

An hon. member: On a point of order.

Mr. Milliken: There is no disorder here.

Mr. Breaugh: I rise on a point of order. I listened to the Chair chastise the member for Kamloops for using unparliamentary language. I would ask the Chair to listen very carefully and to read the transcripts of what the member for Kingston and the Islands has just said, and I think you will find without any question the language was out of order.

• (1120)

The Acting Speaker (Mr. Paproski): The hon. member for Kingston and the Islands is well aware if he has said something that is out of order he will naturally apologize to the House.

Mr. Riis: Mr. Speaker, you will recall that I referred to the other place as a parliamentary obscenity and I said it was an obscene institution. At that point there was an intervention that said the use of that word was unparliamentary.

I have referred to Beauchesne's *Parliamentary Rules & Forms* sixth edition and find on page 147, citation 490, that it has been ruled parliamentary to use the expression obscene.

The Acting Speaker (Mr. Paproski): The hon. member was getting awfully close to where he might have said something unparliamentary, and I thought I would bring it to his attention. That word at that time was fine, but under section 18, page 12, where I read the ruling, it was pretty well given an overview.

I am talking about when the hon. member started; he was getting right into condemning the other place, and I thought I would just stop him at that point. I understand.

Mr. Milliken: Mr. Speaker, I have searched very carefully through the list of prohibited expressions in Beauchesne's and I regret to inform the hon. member for Ontario that "two-faced" is not there. I want to explain what I meant by the expression in relation to statements by the hon. member for Kamloops. He has now said he wants to get rid of the Senate and he has introduced a resolution today which will stop the payment of any money to the Senate. If by chance that is carried the Senate cannot carry on its work.

I recall not many months ago when he was urging the Senate of Canada, the other place; to use its full authority under the Constitution to block the goods and services tax.

His party, the hon. member for Kamloops claims, is committed to abolishing the Senate. How you could be more two-faced than, on the one hand, saying we want the Senate abolished and, on the other hand, saying we want the Senate to block a major piece of government legislation and urging the senators on a daily basis to block the legislation, I do not know, Mr. Speaker. It is as two-faced as—

The Acting Speaker (Mr. Paproski): The hon. member for Oshawa on a point of order.

Mr. Breaugh: Mr. Speaker, on a second occasion in a brief period of time you have allowed one member to accuse another member of being two-faced. If that language is appropriate in this Chamber I have no problem. I have a complete vocabulary and can use that. But in my view, having been in a parliament for some time, it is not appropriate and the Chair will know that it is context not—

The Acting Speaker (Mr. Paproski): I will naturally check Beauchesne's and Erskine May and also other parliamentary publications. I will check this out and if it is I am sure the hon. member for Kingston and the Islands will come back and apologize to the hon. member.

Mr. Milliken: Mr. Speaker, if it is unparliamentary, of course. I have checked the authorities and am satisfied from my checking of Beauchesne's that it is not. If Your Honour finds differently, of course I will respect Your Honour's view.

What I want to do is indicate the nature of that position that the New Democratic Party is putting forward. On the one hand, let us abolish the Senate; on the other hand, let us have the Senate block government bills. That is the—

Mrs. Catterall: And the trade unions asked them for it.

Mr. Milliken: Of course the trade unions supported the Senate on that. Lots of Canadians supported the Senate on that. That is why the New Democratic Party decided it better jump on the bandwagon.

Mr. Simmons: What do you call it?

Mr. Milliken: It decided it had better abandon its policy of abolition and go for supporting the Senate. When it was politically convenient to support the Senate they were in there with the best of them, harping away on how great the Senate was and how it had better block this bill. As soon as the Senate did not block it because it got stacked by a number of Tory hacks, then we were stuck with the proposition where the New Democratic Party apparently changed its tune again—at least according to the hon. member for Kamloops.

But he has been wrong on this point before and I brought him to task on it before. I pointed out that his position on abolition, which he espoused so vociferously in this House about a year and a bit ago, was not in accordance with the party's position. I have some evidence here about that. I have a newspaper article from *The Toronto Star*. The hon. member for Ontario must be very familiar with *The Toronto Star*; it is published in his part of the province.

It talks about the position the New Democratic Party was finding itself in just last week before its convention. We had the hon. member for Yorkton—Melville who was supporting the idea of a Senate and changing it around. He wanted to make the Senate an elected body but he was quite anxious that half the Senate seats be reserved for women. He was apparently chairman of some constitutional committee in the New Democratic Party, so he is something of an expert in the party on this issue, I gather. I presume he speaks with some authority—I suspect more authority than the hon. member for Kamloops who has gone on a wing and a prayer in his speeches on this subject before in this House. He has gone off the party line, with respect.

This committee submitted a report and apparently the report was prepared prior to the big pow-wow in Halifax last weekend. It says in this particular *Toronto Star* article that: "The committee, whose report will be considered at a party convention in Halifax this weekend, does not say whether it will be better to reform the Senate or retain the long-standing NDP promise to abolish it". In other words, they are dithering again. They are waiting to see what the Canadian people think, because if the Senate becomes popular, you-know-who will want to support the Senate. However, if the Senate stays unpopular, you-know-who will want to abolish it.

It is "sit on the fence" time, the new NDP technique. They have learned this from their colleagues in Ontario. They got elected with all these rash promises to do this and do that, but they are sitting on the fence on almost every one of them now because they know that those policies are very unpopular.

Mr. Simmons: What do you call it? The "old picket fence approach".

Mr. Milliken: It is the "old picket fence approach", as my hon. colleague suggests.

Let us hear more about this committee and what it isn't sure of. After all, this is the party that, according to its leader, the hon. member for Yukon, has become the White Knight of Canadian politics—dashing through, making decisions right, left and centre, slashing the other parties to bits. Well, we all know that is a lot of poppycock.

Here is what it says here: "There is no consensus in the party as to whether or not there should be one House of Parliament or two", the member for Yorkton—Melville told reporters. Boy, they haven't even decided on principles like that. Maybe there should be one House, maybe there should be two—maybe three. They don't seem to know. They haven't the faintest idea what to do with the Canadian Parliament. And this from a New Democratic Party that prides itself on principles. Where are the principles? What has happened to the principles?

The principle used to be that you could not have a Senate, it had to be abolished. Now, it seems to be in grave doubt. Boy, these principles are going down the tubes.

Then he says—and this is continuing to quote from the hon. member for Yorkton—Melville: "But it is probably the first time that a group in the NDP has floated the possibility of an elected Senate with certain powers".

It might be, except that at a previous convention there was discussion about this and I was able to quote for the benefit of the hon. member for Kamloops about a year and a half ago how this matter was under study as a result of some convention. I do not know what the hon. member for Yorkton—Melville is talking about, but perhaps it is the first time he had considered it.

Then he goes on with this. He said: "Proposals for a Senate with equal representation from each province are "absurd", but the committee ducked the question of just how many seats each region should have". Well, I can understand them ducking that. If they weren't prepared to go with the equal concept, they had to come up with something else, and that would be a bit difficult. You know, when you abandon principles and you have no principle to go on, how can you possibly come up with an answer to any question? We all know that the principles here were abandoned lock, stock and barrel.

I was hoping that the hon. member for Kamloops would enlighten us on what happened at the convention itself. I thought that perhaps he could tell us what happened with this committee report. But I understand that because the public opinion polls have not gone one way or the other, this issue like so many others was swept under the carpet. I think it was sent back to the committee so they could look at the issue again and come back with more.

The hon. members who are here were at the convention in Halifax. Perhaps they could enlighten us later in the day. I would be interested to know just what happened.

It is the old fifty-fifty routine, as the hon. member for Broadview—Greenwood says. They really don't know what they are going to do; they are waiting to see how the polls go. If the polls go one way, the NDP undoubtedly will go with them. They are quite anxious to please the public at every turn these days, because they feel if they can please the public perhaps they can follow the example set by their colleagues in the province of Ontario and win an election.

Frankly, I do not believe that is likely. I think the New Democratic Party did better in getting its 20 per cent of the vote when it stuck to its principles, but it appears that it is willing to abandon those in a desperate bid to steal votes from the Liberal Party. I notice now that instead of us adopting their policies, which they always used to accuse us of, they are adopting our policies holus-bolus. I am delighted to see some support for many of the positions we in this party have advocated. The abandonment of the policy of nationalization of the banks, I notice, transpired in Halifax. All those socialist dogmas that have plagued the NDP since the 1930s are being washed away.

• (1130)

An hon. member: They are becoming Liberals.

Mr. Milliken: They are becoming Liberals. I am delighted to see this deathbed repentance.

The Acting Speaker (Mr. Paproski): I do not know whether this is going to be unparliamentary language or not. The hon. member for Kingston and the Islands has the floor.

Mr. Milliken: Mr. Speaker, I am sorry I stirred up such a hornets' nest on my left.

I want to turn to the party across the way because after all they are the ones who are causing the real problem today and that is why we are discussing their estimates.

I sat here yesterday afternoon and listened in rapt attention to a delightful speech delivered by the Leader of the Opposition on the subject of ministerial responsibility. In fact I think it could have been entitled, a speech on ministerial irresponsibility. I am sorry that the hon. member for Churchill was not here to hear the speech. He would have been entranced. It would have been an excellent lesson for him in constitutional law, which might have been helpful in this committee that I hope he is working on to try to solve the constitutional problems of the New Democratic Party.

The fact is the government got itself into a dilemma in recent weeks by its failure to deal properly with the persons working for the government and by its callous mistreatment of public servants. I think the opportunity that was presented yesterday to discuss this was a most worthwhile one. I feel that what the government is seeking to do is rewrite the rules relating to ministerial responsibility.

I note this morning the government members voted against the words taken from the *Public Service 2000* report which is, after all, their statement of what ministerial responsibility means. They abandoned the concept and voted against it. This government is opposed to the notion. It is abandoning the parameters, the principles of our Constitution. The members who are supporting it should be ashamed of their conduct in supporting such an outrageous attack—and a consistent one I may say— in a pattern over the years that has helped seriously to weaken our democratic institutions.

I want to review briefly for members the list of things that I think could, at least, top the list of abuses the government has proceeded with that in my view have damaged this institution, both the Senate and the House of Commons.

I could start the list with the excessive use of closure and time allocation. We have never had a Parliament before where so much use of those tools has been made. Closure has been used 15 times now in this Parliament. That is a record. It has been a record for quite some time. I think it became a record on the seventh occasion it was used.

I do not have my list here to tell me how many times time allocation has been used, but I think it is seven or eight.

In addition, we have had unilateral rule changes imposed by closure in this House. There was negotiation on some of the points. I concede that. But on many others, the government knows that it proceeded unilaterally and against the expressed wishes of both opposition parties. Those rules were imposed through the use of closure after a very limited debate. They have restricted the rights of members of the opposition to carry on their responsibilities in this House. They have been designed to protect the government from criticism because the government, at 14 per cent in the polls, knows that it has a problem. Anything it can do to silence its critics is a blessing. That is exactly what they look for, an opportunity to silence the critics. We see exactly the same thing proceeding in the other place.

Until December of last year we had a majority that was made up of members of this party. Nothing could have been more upsetting to the government opposite than to have to face the music in the other place when bills were sent down there that were no good. The very effective Liberal majority in the Senate, which the hon. member for Kamloops now talks of in such disparaging terms, was in fact a very effective, capable debating body which gave a very sober second look at the dreadful legislation this government forced through this House. It held the legislation up to public scrutiny. It allowed the public to see how bad it was. It went on cross-country tours and heard the views of Canadians when this government ignored those views for months and months and days and days of debate in this House.

There were no months of debate, just days, but month after month in Question Period the government ignored them. The hon. member knows that. He knows what I am saying is correct. If stacking the Senate was not enough—because what they did, as we all know now, was stuff the Senate with an additional eight Conservative members so that they could obtain a working majority in the other place—they are now proceeding to change the rules of the other place. The new majority has come up with a new set of rules that will limit debate in the other place so that it will become a rubber stamp for this government's rotten policies that have done so much damage in this country.

I think it is just another shocking example of the abuse of Parliament and its traditions and its forms that this government has indulged in. First of all you stack it, then you change the rules.

Sure, I have no trouble saying it with a straight face, and the hon. member I am sure agrees with me. I am surprised that he would have voted against the doctrine of ministerial responsibility in that vote this morning. Those are words that his government put forward as their statement and yet he was there with the best of them voting against it.

I want to turn to the appointment of the privacy commissioner as another example of the abuse of the processes of this House. The law provides that in the case of certain appointments, and the privacy commissioner is one, a resolution of the House of Commons and of the Senate is required for the appointment. The Governor General in Council may appoint only after obtaining the approval of the two Houses.

What happened? The government introduced the motion to have the privacy commissioner appointed without any consultation with the opposition over the direct objection of the members of the opposition, and forced it through on a vote. In other words, there was no discussion. None of the usual parameters were followed.

The usual practice in all those appointments has been for consultation to occur between government and opposition and a consensus to be reached on the name of the nominee. Then, and only then, is the resolution normally introduced in this House, and it is normally passed then with a minimum of debate and by the unanimous agreement of all members.

No such discussions took place in this case. This was a case of a straight ram operation to jam this name through the House, a former employee of the Prime Minister rammed through the House. Favouritism and paying off debts, that is what this was. The opposition properly raised objections to this, and in the other place the matter was properly held up until once again the bully-boys from the government group forced the appointment through the Senate after the Senate had been appropriately stacked.

Then we could turn to the more recent attempts on the part of the government to change Question Period. They have decided that Question Period is the most damaging session of all for this government because there they have to stand and answer questions without notice, and they look so bad. It looked so bad just the last couple of weeks when questions have been asked on this Al-Mashat affair to see a minister of the Crown stand there and say: "I am not going to answer, Mr. Speaker. This matter is before a committee" and sit down. It is a complete abdication of their responsibility to this House.

Those ministers can answer in this House, and in case the public is in any way deceived ministers are entitled to give those answers whether or not the matter is before a committee. They have an obligation to do so, in my submission. They should have been here stating their answers in this House. They should be giving the facts to the House. Instead of that, they swept it off to a committee where they refused to allow the television cameras to go in order to ensure that the public could see how dreadfully badly these ministers have acted and how little they know about how to run their departments.

We could then also look at the fact that they introduced a motion to deem these bills to be adopted at many stages, at least in the early part of this Parliament, ones that had been discussed in the last session of this Parliament.

I spoke on that recently, about a week and a half ago, and I suggest to Your Honour that that is another case of contempt and abuse of the procedures of this House. They used a motion to reinstate five bills, and they used closure on the motion and thereby avoided the opportunity to speak and criticize the bill at each of the other stages.

Finally, there is their abdication of the doctrine of responsible government, their failure to defend the public servants who are working for them in the government where the Secretary of State for External Affairs has been trying her best to defend her former colleague who is now the Minister responsible for Constitutional Affairs. He clearly should have said that the responsibility for the admission of Mr. Al-Mashat was his responsibility.

• (1140)

He should never have pointed a finger at any person working either in his own office or in his department. All the ministers have a collective responsibility. They cannot say that it is not their responsibility because they did not know.

There are lots of things that happen in the Government of Canada about which a minister does not know. For a minister to stand in this House and say: "I am not responsible because I did not know so-and-so or so-and-so, that person is responsible," is a complete abdication of ministerial responsibility.

It is a shocking, disgraceful way to conduct oneself. The ministers involved in this case, who in every respect may have been able to defend their actions and put up with some criticism from the public, are paid to take that kind of criticism from the public.

Instead of taking criticism they stood around and said: "Who can we blame? Who will we shuffle this off to?" They got into a little meeting. It was a star chamber court where they sat about and decided that so-and-so is guilty and so-and-so is guilty. "We will blame them and say they apologized and that will be that".

That is exactly what was done in this case. It was disgraceful. It was disgusting. Because of their conduct, all three ministers should resign immediately.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I want to say to the hon. member for Kingston and the Islands through you, sir, that when it comes to the conduct of members of Parliament, it may well be that some of what he was saying is worthy of our consideration and reflection. It is inappropriate in the extreme for the member to believe that this is a need for change that takes place in only one political party.

I want to set before you, sir, some observations that I have made after having been here for about 17 years.

What is still, as it was when I first arrived in Parliament, a part of parliamentary rules in Beauchesne's and Erskine May today would be some of the following: In Question Period a question is not to be argumentative.

If the hon. member for Kingston and the Islands from the Official Opposition reflects upon it, has he heard an argumentative question? I believe that he has.

Questions are not to have preambles. Anybody who does an objective measure of Question Period will know that there is more preamble than there is question. These are breaches of the rules, breaches made principally by the party of the member who has just spoken.

It is inappropriate, improper and wrong according to the rules of the Table to have innuendo. I cannot remember the last Question Period where there were no examples of innuendo. People are being accused and stand almost convicted for no other reason than an accusation was made.

For the member for Kingston and the Islands to come here and somehow hold himself up in the holy sepulchre of purity and to pretend for the moment that he can condemn all others because he thinks there is some breach of the rules, when he says that we on the government side somehow are trying to change Question Period, I tell him that if he were to put all the people in Canada who believe that Question Period is an appropriate mechanism today in Prince Edward Island and all of those who think that there is something wrong and needs to be changed on Vancouver Island, Prince Edward Island would be 3,000 feet above sea level because the weight distribution would be so changed.

Canadians do not believe that Question Period is serving their needs or their aspirations as to where a country should be.

I say to the hon. member for Kingston and the Islands through you, Mr. Speaker, that Erskine May says questions cannot be repetitive.

I came here when speakers used to say: "If the hon. member will check the records, he will see that that precise question was asked on Tuesday" and give some date two weeks ago. He would go on to another member. We now have Question Periods which repeat the whole question as many as five, six, seven times in a single Question Period.

The hon. member should know that any breach of rules is not a breach of rules that falls on one party, because he belongs to a party that is a principal partaker in the abrogation of the rules that have been so clearly and long established in this House. We cannot move when the mace is in motion, and yet members of Parliament here too frequently have disrespect for the mace. When the Speaker rises every member is supposed to be seated, yet often we see a Speaker rise and a member standing and the two are staring at one another. When The Speaker rises every member should be seated and there should be silence in the House of Commons.

I have spoken long enough, Mr. Speaker, and when you rise I will have to sit. But I say to the hon. member, could you answer me, in all clarity, is there not some reason for all of us to reflect on changing the rules of this House for more effective debate. It is a non-partisan issue, it is Parliament that is at stake and all of us, in the interest of our constituents in all parts of the country have a burden to make this place run better.

Mr. Milliken: I, of course, agree with that part of the hon. member's statement, Mr. Speaker. The last question he put to me of course I agree with. We all have that responsibility and we all take it very seriously.

What I do object to, and I think he should know this, first of all concerns his suggestion that somehow Question Period today is radically different. I do not believe that it is. I think Question Period was the same in 1984, 1983, 1982 and in 1981 when the party that he represents was in opposition. The New Democratic Party has been in opposition throughout that time and I do not believe its questions have materially altered in the course of the last decade or 20 years for that matter.

The hon. member thinks that maybe they have. If he looks at a recent article by Don McGillivray in, I think yesterday's, *The Ottawa Citizen*, he will see that on Mr. McGillivray's own checking over a 20 or 30 year period, I have forgotten how many years he went back—

An hon. member: Thirty years.

Mr. Milliken: Thirty years. He pulled out the Question Period each decade on the day and looked at what had happened and found that the pattern was very similar to what it is today. Almost all the questions were asked by the opposition. In fact, my recollection is that on two of the days every single question was asked by the opposition. We are now allowing some government questions which I think is a change. In addition to that, the questions were argumentative, they had preambles, they had innuendoes, they were partisan. All of that is part of the mix. There has been no change in that.

What has changed is the standing in the polls of this government. It has gone down to 14 per cent. So the Conservatives feel that something must be wrong with Question Period for them to be so bad, that is the fear.

I think it is wrong. I think the Conservatives should regard that and look at it very carefully and say: "Are we trying to change this for the wrong reasons?" If members look in their heart of hearts I think they will see that is exactly what is going on. They do not really care how partisan it was because they enjoyed it themselves when they were in opposition and had the opportunity to ask. They are so bad in government that they just keep slumping in the polls and Question Period does not help them get out of the slump. That is why they want to get it changed. They want more softball questions from their own members and the backbench so that the ministers can look good once in awhile when they answer a question. They do not look good when they answer our questions because most of the time they do not answer them.

Mr. Rod Murphy (Churchill): Mr. Speaker, I thought the member for Crowfoot would sit down when the Speaker recognized me.

What I should remind both members is that the issue before the House is the proposal by our party that the government can save on its expenditures by reducing the amount of money allocated to the Senate. It is interesting that every time we make this proposal the Liberals rush up to defend the Senate and then slam us for whatever particular reasons they can.

The reality is that a body that has worked so little over the last four months cannot be justified. The reality is, and the reason the Liberals get up and defend the Senate is, that not only has it been used for patronage, but it also provides Liberal election planning. The Liberal Party of Canada, at this time, cannot survive without the Senate because it would not have an election planning body.

If you take a look at various senators—I will not go through them name by name nor province by province—their reasons for being there are to raise funds, to organize campaigns in various provinces or to be campaign managers either at the provincial level or at the federal level.

• (1150)

I noticed that the Liberal member from Kingston and the Islands said that the NDP is always plagiarizing their ideas. He used the word "hypocrisy." I think perhaps he should look at himself. I remember reading the Liberal proposal to the Royal commission on the Elections Act. The Liberals took my private member's bill, added four words to it and pretended that it was their own legislation. He says they gave us credit. They said that we had dealt with a similar matter.

I have a proposal. I should give the member for Kingston and the Islands a chance to hear about it now so he can draft his own legislation. We are introducing changes to our definition of what election expense is, so when we do that I hope he will be ready to follow suit.

I think one of the suggestions we could make is that the cost of the Senate be divided. The Tories would allocate their senators as part of their election expenses and the Liberals would agree to count their senators because they are involved, paid for by the public, and spend full time working on elections. I think it is only fair that since they like to steal our ideas with regards to election expenses, they would voluntarily include the cost of each and every one of those Liberal senators as part of their election expenses.

The Acting Speaker (Mr. Paproski): I will give the hon. member a minute to finish.

Mr. Milliken: I should hope so.

The Acting Speaker (Mr. Paproski): Well, it is two minutes overtime now as far as questions and comments are concerned.

Mr. Milliken: Well, you recognized him, it wasn't my idea.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, the NDP as usual has put down what I think is an absolutely fascinating proposal. I want to say a few words about it and some other things in the few minutes I have at my disposal.

I want to say to my friend from Kingston and the Islands, who has great knowledge in this whole area of how Parliament functions, that I thought he over-reacted. I say to him in generosity, I thought he had over-reacted this morning to the NDP shenanigans. Surely that is all they are. They are shenanigans.

An hon. member: Now he is being parliamentary.

Mr. Simmons: The member for Oshawa talks about what is parliamentary. I thought he would have done well this morning to know the rules himself, to have realized that if he is going to get up and repeatedly interrupt what was a good speech by my friend from Kingston and the Islands, he ought to at least have a citation. He quoted no citation. The word "two-faced" is perfectly legitimate. It is also very accurate in the circumstance.

What more could you ask of a vocabulary than it be, first, legitimate, and second, suit the purpose, that it be appropriate. What could be more appropriate than two-faced when you talk about what the NDP is doing in this particular amendment.

Let us understand what they want to do. They want to wipe out the operational expenses that would be provided under the main estimates for the current year, as they relate to the Senate's operation. To do that, the member for Kamloops cites—he has done some arithmetic and we will assume his arithmetic is correct—that it is some $2,000 a minute. Of course, what he has done to arrive at that, I suppose, is to take the number of hours or minutes the Senate sits and then this operating amount that is in the estimates, and divided one with the other and come up with a couple of thousand bucks a minute.

An interesting question arises. He is telling us that it is his view that the only time the senators are at work is when they are in the Senate. That is what he has done in his bit of arithmetic; he has taken the number of hours they are in the Senate and divided it into the total expense of operating the Senate. And so he is extrapolating that the only time these senators are working is when they are in the Senate.

I put it to you, Mr. Speaker, and I put it to him, wherever he is now, the member for Kamloops, since he is not physically in the Chamber right now, is he not working either? Is that what he is telling us, that he should probably not be paid for that? I mean, how ridiculous.

Mr. Gardiner: A point of order, Mr. Speaker. I have two quick points. One, I think the hon. member knows the rule in the House about referring to the presence or non-presence of members in the House; second, the member for Kamloops is attending a very important meeting at this moment. He knows that very well and he should not abuse the rules of this House.

Mr. Simmons: I thank the gentleman from Prince George—Bulkley Valley. He should not be telling us that the member for Kamloops is attending a meeting because in so doing he is drawing attention to his absence from this Chamber, and he is breaking the rules, you see.

However, let me thank the gentleman from Prince George—Bulkley Valley. Let me use him as an example. You see, he is in this Chamber. I am allowed to note the presence of somebody. He is in the Chamber. I see him. He is bodily in this Chamber.

The question is, and it is an entirely theoretical one, if the member for Prince George—Bulkley Valley were not in the Chamber—which he is, I point out—then by applying the arithmetic and the logic of his colleague from Kamloops, who I have to assume is in the Chamber except I was told just now that he might be at a meeting somewhere, who says that the only time you ought to apportion cost is when they are in the Chamber, then I put it to you, sir, as a theoretical question understand, that if my friend from Prince George—Bulkley Valley were not in the Chamber then should he be paid?

Maybe he wandered off to attend a meeting somewhere, maybe to talk to a constituent on the phone, maybe as a member of a standing committee, maybe doing one or the other 114 things you do which are pursuant to your membership in this Chamber. Is that the thesis being espoused by the gentleman from Kamloops, that the only time you work in this place is when you are physically here yelling your head off, as I am doing now, or sitting in the Chamber? What utter nonsense. What utter hypocrisy. What utter two-facedness.

I should perhaps tell my friend from Oshawa the latest story making the rounds about his friend—and I see him there so well— from Kamloops. It was said about him recently that if somebody on the government side, with all the extra money they are making with the GST, if somebody decided that maybe what we needed on this Hill was a swimming pool—

An hon. member: Did you say swimming pool or cesspool?

Mr. Simmons: Swimming pool. The member wants a cesspool, no problem. But let's stick with the swimming pool first.

Now it is suggested that if the government decided what we needed here was a swimming pool, the member for Kamloops would do two things immediately: He would jump up immediately and put down a motion condemning it, and then he would phone his secretary and say: "Would you go over and buy me a swim suit?"

An hon. member: Could we use Pierre's pool perhaps?

Mr. Simmons: Mr. Speaker, that member will never get to use Pierre's pool.

However, I digress. I make the same mistake I had accused somebody else of making. Why do we get excited about a party whose slogan is "Having our cake and eating it, too". Why do we get excited about a party that has all kinds of principles, some of them are even compatible, but most of them are mutually exclusive. Of course, they are for the Senate and against the Senate. I say to my friend from Kingston and the Islands that he ought to know better. This crowd is for and against everything. They are against the Senate today in their motion, because it gives them a chance to get up and talk. But on Saturday in Halifax I read in the paper they were for the Senate.

• (1200)

An hon. member: That is what I heard, too.

Mr. Simmons: They were for NATO and they are against NATO. I have resolutions from the Montreal convention of the NDP a couple of years ago and another one showing they are for NATO and they are against NATO. They are for a united Canada, unless you listen to the member for Chambly, who is for Quebec sovereignty.

I say to my friend from Kingston and the Islands; Do not get excited about the crowd whose slogan is: "Having your cake and eating it too". Do not get excited about the crowd that has all kinds of principles, most of them contradictory. Do not get excited about the NDP, a party that can come up with a new principle any day of the week, just by negativing the existing principle. No problem.

An hon. member: Get around to the banks. Get to the good stuff.

Mr. Simmons: Mr. Speaker, I understand there is a nuance here. It is a new refinement in the way the NDP writes its policies. They are not just simplistic and for and against things any more. They want to keep the Senate today; they just do not want to fund it. They want a kind of charitable, voluntary Senate.

They tell us the Senate is not doing anything. That is right, the Senate is useless. I just heard the member for Kamloops tell us the Senate is serving no useful purposes. Listen to their comments three days ago in Halifax, when they wanted half of the Senators to be women. Is that their commitment to equality? They want to put them in a useless organization, do they?

Sometimes if they were not so treacherous in the venom and the deceit they spread they would be funny. The deceit that the member for Kamloops spread just now about the Senate spending $2,000 a minute skates deliberately misleading some essential elements of the Senate; one is that when the Senate is not physically meeting as a Senate many other committees are meeting.

Secondly, many of those Senators have their constituents, whether organizations or individuals, who come to them, much as they come to members of Parliament. It is cowardly and dishonest for a member of any party to stand in this place and take the other place and the individuals in it apart in their absence. Particularly, when you tell deliberate, direct, falsehoods. That is one of the more cowardly things I have seen.

I have my views on the Senate and I can give them to you. In short, first of all, they ought to be elected. In terms of our present Senate, is it serving a useful function? Yes. Anybody who thinks it is not should go back and see what the Senate is there for in the first place. One of the reasons it was put there in the first place by Macdonald and the Fathers of Confederation, was to see that the regions were protected.

We from a smaller province like Newfoundland and Labrador look to the Senate, and have always looked to the Senate, for some of our regional protection. Is it doing its job as well as it could? No. But the same question could be asked about this Chamber too.

I come then to what my friend, the Conservative member for Crowfoot, was just saying because it relates to the point I want to make. He was talking about Question Period. He said that Canadians do not believe that Question Period is serving their aspirations. That is a fair statement. He said: Canadians do not believe that Question period is serving their aspirations. I would say that if he wanted to be completely accurate about it, he ought to be saying "some Canadians". Whether that "some" is 99 per cent or 15 per cent, "some" Canadians believe that.

I happen to run into many Canadians who want me to raise certain issues in Question Period, people like the columnist who said yesterday: "With all its warts, Question Period is a very good institution. Let us keep it".

That is an aside to what I really want to say to the member for Crowfoot.

He says that Canadians feel that Question Period is not serving their aspirations. He is right in that some Canadians feel that. Maybe more Canadians feel it than we would like to think.

I have a question for him, and it is a question that comes to the specific issue of the GST. Since when did he and his colleagues on that side give a hoot about what Canadians feel?

About 85 per cent of Canadians told him in a poll that they did not want the GST, but the government put it through anyway. I do not see what the rush is to get out and alter Question Period just because Canadians do not like it, if I were to follow his strategy to date.

If Question Period needs some change, I am sure it will get changed. Let's not do it for the wrong reasons. The way this place is being castrated by the government, Question Period is one of the few remaining opportunities for some accountability. Yes, it is a bit untidy at times but let's not use the argument to change and improve it as an excuse for making a eunuch of it.

When I hear a government member talk about change as it relates to Parliament, you can usually decode that to mean "muzzle". You can assume, can you not, that if everything is going well for the government, it would not be talking about change. Why would you want to change something that is working well for you?

The very fact that members talk about change day in and day out tells me that somehow they may not be enjoying the experience any more. Maybe all is not well over there. When I hear them pontificate to me in flowing terms about change, I decode that to mean muzzle the place. I am going to oppose them at every turn on that.

Let's remind ourselves that in addition to that mischievous little motion put down by my ever present member and friend from Kamloops, this debate is all about the main estimates and the billions of largess that this government would want to expend on all kinds of schemes: $157 billion.

The former Premier of Newfoundland, Joey Smallwood, had a way which I cannot really imitate at all, much as I would like to do so, of drawing attention to a large sum of money. In Newfoundland terms, $157 billion is an astoundingly large sum of money. Joey would do it by backing away from it and coming at it a step at a time. He would say: "Do you realize that we are not talking here about $157 billion. We are not talking $10 billion, $20 billion, $30 billion, $50 billion or even $100 billion. We are talking $157 billion." Then he would proceed to translate that into thousands of millions of dollars and so on.

The point needs to be made to the people of Canada and to us in this Chamber that we are dealing with one awful large lump of money here: $157 billion.

One of the things I ought to ask on behalf of the 85,000 people who sent me here, fishermen, farmers, shipyard workers, railway workers— until the government got rid of the railway a couple of years ago—ferry dock workers, unemployed, students: Is the government spending this $157 billion in the best way?

Certain of these expenditures are statutory. Certain of them we could hardly change even if we wanted to, but the government does have some flexibility. The government will be the first to point out that a large percentage of that goes to servicing the debt that the debt has doubled. The government does not point out but some of it is in the area of having some flexibility.

• (1210)

I want to come quickly to two or three issues. One is the issue of the fishery. I realize from your signal, Mr. Speaker, that my time has all but elapsed and I wish I had a few more moments, but I do not, so very quickly let me say that I would want to have said more about the issue of the fishery and what is happening to it in these times of stock collapse. This is at a time when people need help to bridge the gap –fishermen, plant workers and communities—and a time when the government is not making the best use of its limited funds to assist that sector of the economy. I could talk about how students, and university students in particular, are left high and dry because the government, through a sleight of hand, has actually cut back the amount of transfer payments for post-secondary education. I could talk about the new anxieties that are created among senior citizens and others because the government has cut back medical care expenses to the provinces.

The list goes on. There are so many things that we will want to raise during the course of this day before we give our concurrence to the passage of any estimates. I recognize my time is up for now, but maybe we will have another go at it later in the day.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to congratulate the hon. member for Burin—St. George's, but I regret the fact that the issue of program spending, which he was in the middle of discussing when he was cut short by elapsed time, is an issue that is not only important for his riding, but is also important for all of our ridings right now. We are dealing with a government that has not only decreased program spending dramatically over the last five or six years, but, in the process of decreasing that program spending in light of the deficit that has been doubled, it has also increased the revenues that it receives by almost 50 per cent since it took office.

The government is not only taking less out of the economy in terms of stimulation, but it is also taking a lot more out of the economy in terms of its tax programs.

I would like the hon. member for Burin—St. George's to expand a little bit on the importance of this program funding and maybe the fact that there are some areas which are statutory and which the government cannot and should not touch. It has tried to grab some of the statutory payments to seniors, et cetera, and, of course, our established program financing. I think it is important for him to elaborate on the importance of where this money goes in terms of stimulating our small businesses and all sectors, whether it is the fisheries or tourism. Maybe he could elaborate a little bit on that.

Mr. Simmons: Mr. Speaker, I thank my friend from Broadview—Greenwood. It is only in the last day or so that he and I were comparing notes on the severe downturn in the economies of our respective regions. He represents an urban riding in downtown Toronto and I have the pleasure to represent a very rural riding, 158 communities, the largest of which has a population of about 8,000 and the smallest a population of about 12 people.

So we are talking of two very different worlds, but it was interesting in our chat a day or so ago, to note that because the economy is in such devastation there are similarities emerging in what is happening and how people are coping.

He made the point to me, and I am sure he would not mind my mentioning this, that the small business sector is having some real difficulty. He said to me, in passing, that people in Toronto are now beginning to realize what rural Canada has been talking about. In rural Canada there is often a cycle of activity; if the fishery is good then small business thrives and if the fishery is bad, either through market or the health of the fish stock and so on, then small businesses experience a very depressed situation.

To turn specifically to his question, we had to back off and say what is government all about? Government, I believe, is a free enterprise or ought not to be doing anything that free enterprise can do better.

I believe government was put in place primarely, and its continued reason for existence, is to do things that private business, small or large, cannot do for us. What better time to have a government that you can turn to than when the economy is at its worst and you need something to bridge the gap?

Specifically, I want to come not only to small business as it relates to my riding, but to the fishery. We have a situation in the fishery in Burin—St. George's and all over Atlantic Canada where 100,000 people, men and women, plant workers and fisher persons, including men and women, depend on the fishery. So it is a very big industry. One out of every four jobs in Newfoundland is in the fishery, for example.

When the economy is in a downturn is the time you most need a government. That is when private business cannot help and that is when government ought to be able to step in and help bridge the gap.

There is an argument the former Minister of Fisheries and now Minister of Employment has been espousing. To his credit, the new Minister of Fisheries, my pal from Newfoundland, from St. John's West has not been espousing this argument yet and I hope he has the good sense never to start it, because the government tells us that in four or five years the fish stocks are going to rebound.

If they are going to rebound and the fishery will be healthy in five years, why are we in such mad haste to dismantle the processing capacity? Why are we in such mad haste to retrain all those fishermen as labourers for southern Ontario or Alberta or wherever else they are shipping them off to? Why do we not find a way to bridge the gap over the next four or five years to keep those processing facilities up to scratch? We may have to mothball some of them, but let's not put the wrecking ball to them.

Why don't we find a way to keep at home those people who have a lifestyle in Gaultois and in Grand Bank and those other communities in my riding that are under the gun? Why don't we find a way to keep their skills and their lifestyle intact for the next three or four years? We may have to find something for them to do in the meantime. We may have to do some training. That is fair ball, but let's not ask them to walk away from their life skills and their whole value system and way of life.

That is where a government in tough times ought to be expending some of its money. When I see the kind of money that we are talking about here and the fact that an extra $400 million more was made than they thought they were going to make in the first four months, I ask how that is for pocket money, an extra hundred million a month more than you thought you had in your pocket.

Surely Lord, surely to goodness, having that hundred million dollars a month, they can find a few shekels to help those poor fishermen, those poor plant workers I am talking about, instead of saying: "You have got to pack your bags and say goodbye to your loved ones forever." I hope that answers your question.

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend and I have a short question to put to him. He was going on at some length saying what a fan of the Senate he was. I think that is an interesting position for somebody to take. It must be very lonely, I would think, taking that position. I wonder if my hon. friend could comment whether he thinks it is getting good value for money when the Senate managed to sit for nine hours during the month of February, 28 calendar days, and they managed to sit for 12 hours during the months of March and April. Then in May they went all out and actually were in session for 15 hours for the entire month.

My question to my hon. friend is this: Based on this working of the Senate, the amount of time that senators have spent working on behalf of Canada, his being a believer of free enterprise and wanting to make sure we were getting good value for money, does he think paying nearly $2,500 a minute for this kind of performance is worth it?

Mr. Simmons: First of all I say to my friend for Kamloops that it is not at all lonely saying we need an elected Senate. Many thousands of Canadians are saying that we need an elected Senate. Almost every thinking Canadian who understands our process of government will tell you we need a second Chamber. People in his own party as recently as this weekend will tell you that we need it elected and that we need a second chamber.

• (1220)

I come to the real point of his question about the $2,000 per minute. He might have listened to my speech, but he missed that sentence because I addressed that very particular sentence. I said to him and to the Chamber that I thought he had been quite dishonest to suggest that the only time senators worked is when the Senate is physically sitting. I turn the question around on him. Is he suggesting that the only time he works is when he is sitting in this Chamber? I understood if he is doing his job as a member of Parliament because I happen to be a member of Parliament too and when I go out of here there are a few other things I do. Sometimes people call me. I actually spend some time on the phone. I actually sign a few letters once in a while. I actually go to a committee meeting, and I know a few senators who do the same thing. I actually saw a senator in a meeting once.

An hon. member: Once.

Mr. Simmons: As a matter of fact I saw them several times. The point I make is that the gentleman from Kamloops knows he has lost this particular argument completely and so he gets up one more time and regurgitates his $2,000 a minute.

He is going to have to get more convincing or go off and buy those swim trunks I mentioned earlier.

The Acting Speaker (Mr. Paproski): Questions and comments have now terminated. Is the House ready for the question?

An hon. member: No.

The Acting Speaker (Mr. Paproski): The hon. member for Oshawa.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I think what has transpired here this morning is perhaps what is

troubling the people of Canada. The member for Burlington stood in his place and introduced the government's motion in a very casual way and it did not seem to cause much of a ripple in the Chamber. He indicated some of the difficulties the Government of Canada was having at the moment dealing with its financial problems.

He said, almost as a throwaway line, that they have come to a position where they cannot offer people who work for the Government of Canada any wage increases this years.

I think that is a remarkable statement. It is a statement of some financial difficulty. It is certainly an insult to all of those men and women who work for the Government of Canada, all of those who are on the front line of providing government services, because those poor people are unlike members here; they do not have the luxury of reading in a public opinion poll that the people of Canada are unhappy; they do not have the advantage of being able to send out a staff person to write a letter to some disgruntled constituent. These are all the people on the front lines. They are the ones who stand at a wicket somewhere and take abuse from the people of Canada over a system they did not devise, over policies they may not agree with. I have often thought it would be a useful exercise to take the Minister of Finance and put that individual out in a parking garage collecting the GST as people drive their cars out of the garage and listen to the comments that people make face to face, not an opinion poll, not modified in the staff report, but listen to it. He should get right in their faces and hear what the people of Canada have to say about the policies of this government.

Yet those who do that will get no wage increase. That is an insult for the work that they have done. Of all the people you could think of in our society who could perhaps get themselves in a position where they do not need any increase, who did not have any cost of living problems this year, whose rent did not go up, whose food cost did not go up, to whom the GST did not get applied, last on that list would be the people who work for the Government of Canada. They are out there every day whether they like it or not, representing the Government of Canada because they have a little badge on their sleeve that says, "We work for the Government of Canada", or because they work in an office with a sign that says, "The Government of Canada operates something out of this office".

Every day they hear the frustrations about a million and one problems, about immigration, for example. They listen to all the tragedies right in front of them from the individuals and the families who face an immigration system that is extremely complicated and, by many standards, rather unfair. They take that abuse first-hand.

For them the government says there is no money in the kitty to give any increase at all this year.

The second thing I heard the member say, again almost casually, is that the government is very attracted to the notion of user fees. Having been around parliaments for a while, I have seen this debate in other chambers. It always sounds attractive for governments to institute user fees because it has that wonderful notion about it that you can charge people a second time for a service they have already paid for.

I know that the argument on the other side of the coin is that while they may have built and paid for the hospital, now that they are actually using the facility we are going to get them again. If they have the audacity to use a hospital we will charge them another user fee. If they have the audacity to go fishing we will charge them another fishing licence. If they have the audacity to drive on one of the roads we built with their tax dollars, we will charge them again. It is another great source of income.

Well, we are turning the corner in Canadian politics when we enter into these concepts. One of the things that makes Canada different from many other nations in the world is the concept that we, collectively as a nation, pool our money and our income tax and we build different kinds of things for our people. We build roads and hospitals and we provide services. People have a reasonable right that, having paid for it once, they really should not have to pay for it again. A user fee is a polite little word that suggests one other method of taxation.

I, like many Canadians, have begun to investigate the process of just how much taxation people can take. Just because you call it by another name, just because you call it a user fee, does not make it anything other than what it is. It is a tax. When Canadian consumers go into stores these days they are getting to the point where they are recognizing that when you charge a provincial sales tax and a goods and services tax and any other kind of tax, there is a dramatic impact on what you pay for goods or services you receive. It is getting to the point where people can see that clearly on their bill and they are starting to say: "Wait a minute. How stupid does the government really think I am? Just because it calls it by another name, does it think I will not recognize that it is a taxation process"?

Does it think they will not know the difference between shopping in Kingston, Ontario, and anywhere along the Thousand Islands, in Clayton or in Alexandria Bay? Does it think people will not see the difference in the taxation process between two countries? Well, of course they will. Does it think that by setting up some kind of border process which collects even more taxes that it will stop people from shopping in the United States when they have a chance? Well, it will not.

People should simply understand that the taxation levels in this country have gotten to a point where those who are left paying taxes, that broad band of people who have, perhaps, a weekly pay cheque or an hourly rate, sometimes known as the middle-class, are really beginning to feel the pinch of taxation at all levels. If one could simply define: "It is fair. We are going to do this on the income tax. If you make more money you will pay more money in income tax". People would not like that very much, but they would at least understand that there is a logic there, that those with an ability to pay, ought to pay. What they are objecting to is that every time they turn around they are getting hit with some other form of taxation and they know it.

They do not care whether the kid who pumps the gas into their car looks like a tax collector or not. They are beginning to understand that he is a tax collector. They do not care whether the woman who works in the little corner store looks like an agent for the Government of Canada. They are aware now that that person functions much of her day as a tax collector for the Government of Canada and they are mad about that and they ought to be.

Also they ought to be mad about this. They ought to be mad that services they have already paid for are being taken away from them or that they are being charged extra for those services. They ought to be angry about that and they ought to tell this government. This government ought to drop the opinion polls and drop all the people it hired to do public relations work, go back home and listen to them.

In the last few days I have heard Conservative members, a long way in the backbench, albeit, but Conservative members, stand in this Chamber and reflect some of that frustration. Maybe it is true that it is not good enough to hear from the opposition side that your financial policies are unpopular. I am sure, having been around Parliament for a while, that they have heard this in their own private caucus meetings.

• (1230)

Now you are beginning to hear it here in the Parliament of Canada. The message is not getting through. There are some who would be callous enough to say—and I would be one of them—that what is happening here is that the government is not popular at the moment, that it is gathering up a war chest, a kitty for the next general election, and that between now and election day there will hardly be a Canadian left standing who will not get a cheque from the Government of Canada for something, some rebate, some grant, some award, some giving back of their own cash.

I would say to the Canadian people, think about this. If somebody robs you on the street today, holds your money for two years and gives you back a portion of it two years from now, should you be happy about it? I do not think you should, and I would bet that by the time the next general election rolls around, the people in this country are going to understand that basic, unalterable fact that you have taken money out of their pocket now and it really does not matter whether you give them back a portion of that before the next election or not. They ought to remember what you did now, and what was the end result of your financial policies.

In a very casual way, the member suggested that the government has to look at some alternatives, some contracting out. When I was first a provincial member and saw this little exercise being tried, it looked to me like something that maybe we should think about. Then I discovered some odd things happening. When governments talk about contracting out, what they mean is that they are going to take people from permanent, paid position here, they are going to leave them right there, right at that desk, but they are going to call them by a different name, and they are going to call it contracting out. The next week that person will do exactly the same job in exactly the same place, and what they have lost is their status as an employee.

Governments like to pretend that they can then write up huge reports at the end of the fiscal year and say, look at how much we have cut the civil service. I do not know what the parliamentary word for that is, but I do know that the same people work in the same buildings, do the same jobs, and someone has found a device for calculating that they are really not there, that somehow they have disappeared. Oddly enough, it always turns out to be friends of the government who run the companies that get all of these contracts. It always turns out that it costs more money and not less.

So what governments try to do is focus your attention on the notion that there are less people working for the Government of Canada. You have to read the fine print and find out that no, there really are not, and it does not really cost less money. They are just called by a different name.

It is the same process that they are using now in taxation, that somehow if you call a tax by a different name it is no longer a tax. The people who are paying out the change every day are beginning to smarten up. They are beginning to understand that it does not really matter whether you call it by a different name, it is a tax. It does not really matter whether you pass a law saying: We are going to put all of this money into a special fund, not the Consolidated Revenue Fund anymore, and we are going to pay down the deficit. It does not take very much reading of the fine print of that law to discover what is happening is that it is business as usual. All the money goes into the Consolidated Revenue Fund, and then they are going to set up a new accounting process which puts it into another account. Before the end of the fiscal year, they are going to take that money and pay down some part of the deficit. They make a promise in that bill that will crank up the same kind of idea next year.

People understand it does not matter whether you have one piggy bank on the kitchen table or two, it is the amount of money you put into piggy banks. What happens is that it costs you more money to buy the second piggy bank. That is the kind of shell game that this government has embarked upon.

One of the things that I hear constantly where I work, in my own constituency when I walk around, is that people challenge the role of all the institutions we have. If they have watched this debate this morning, they have a good reason to challenge that. They have a good reason to say: Did we actually pay somebody to go to Ottawa and stand up and play those kinds of silly games, that you can call people two-faced, but you cannot say they are hypocrites? Does that make any difference anywhere in the world? No, it does not, and they know that.

You can quote Beauchesne and Erskine May until you are blue in the face. It works in here. Try it in a pool room. Go into a local bingo and tell them: Listen, the words you just used are not on the list. Beauchesne does not approve of those words, so you cannot use them. See if that changes the course of the argument. Well, it will not. The shame of it is that there are people in this Chamber who believe that somehow if you learn how to play the word games, it changes the nature of it all. It does not. You can delude yourself into thinking that a Parliament is about reading Beauchesne's, about finding a list in Erskine May or that it is some kind of game about whether everybody is an honourable member. It is not.

People watch every day and see the kinds of words that come out of this Chamber. They say: "What a bunch of foolish people. Don't they know there are serious problems in this country? Don't they know that we have to stop and look at all of our institutions?"

Do you not really know that people all across Canada are asking the interesting question: "Why are people in the Senate playing kazoos?" Is that what it is about? Is the Senate such a valuable institution? How is it that the government can simply decide one fine day that the Senate is not doing what it is supposed to do, and therefore we ought to put some more people into the Senate?

Do you think people do not understand the game called stacking the deck? Sure they do. They have seen it a million times where they work, whenever they have had an argument, whenever a debate was going one way and all of a sudden somebody decides that the debate is not going that way because they are bringing in more troops.

They have probably seen a write-up of a Liberal nomination meeting. They know what stacking the deck is. They have been in a debate like that. They understand all of that.

There is something missing in this Chamber, at least I have not heard it because we do use parliamentary language. Maybe the country would be better if we set aside Beauchesne's for a day and said: "Let's just get together and report to the people of Canada what we have heard on the streets in our constituencies last week."

An hon. member: Hear, hear.

Mr. Breaugh: It would be an interesting debate, I must say. I am sure there would be many across the country offended by the language that would be used, but there is a certain tenor to all of that that you really have to hear. Maybe it cannot be expressed in parliamentary language.

Maybe those who are big fans of the Senate would care to go out on the street in your community and express the fine words about the sober second thought and all of that.

What we are trying to do as a political entity is what I am sure every political entity in the country is trying to do. I do not understand why people really believe that electing a Senate in its current form is going to solve its problems.

This much I do know. There are people in this country who fervently believe that regional differences which have not been addressed by the Government of Canada over a long period of time can only be solved by somehow redesigning the second Chamber. I am not that dumb. I am at least prepared to listen to what they have to say. I am at least prepared to hear their arguments. If someone would figure out a way that we can elect a Senate, fine. If someone can figure out what they are going to do after we elect them, I think that is pretty important. If someone can suggest some changes in the relationship between the Senate of Canada and the House of Commons that would work, I am prepared to hear that argument and to accept it. Everybody else in this Chamber had better be prepared to hear it and accept it as well.

Governments at all levels in this country are being challenged and not in polite academic ways. They are being challenged on the streets, in the factories, in the playgrounds, in the arenas every day all across Canada, and it seems that governments cannot hear it. That is a tragedy.

I have followed for some time the government's frustration with the Question Period. I have seen it here and in the other Chamber. I am amazed that somehow anybody in his or her right mind feels that if we limit it to 30 seconds, that will solve the problem. That is not the problem.

I have heard really good questions in other chambers go on much longer than 30 seconds. If people know what they are talking about, are reasonably secure in their facts and are putting forward good arguments, it is not a question of whether it is 29 seconds long or four minutes long. It is a question of relevance.

As I listen to my constituents talk about this Chamber, that is the question they have on their minds: "What the hell is going on down there?" I have to admit I am hard pressed to explain what is going on down there. I do not know. I am listening to it. I am there every day. I am watching it all unfold. It makes no sense to me.

I saw a headline the other day. I think it was Preston Manning who accused this Parliament of being a "disgrace". I admit he has got me. It is a disgrace that this is the national Government of Canada, the biggest Parliament we have, and it cannot get its act together. Why not? I do not know, I just got here.

• (1240)

Is it because people are so mesmerised with their own wonderfulness? I have been in politics for awhile. There is nothing wrong with a big ego in politics. If you do not have one you will not survive. But is that all there is to it? Is it just word games? If it is, let us do it on the cheap. Let us take all of these wonderful wordsmiths and find them a nice place to go for the summer. It will cost them $1.95. Give them a free lunch and let them get out there, and we will call it our constituent assembly.

I can find you all kinds of people who will serve in that constituent assembly for nothing. We do not have to call it the Senate, we do not have to pretend that it is a Parliament. It is a bunch of people yakking in a field.

For those who think that parliaments are distinguished places, I want to remind you that the very first Parliament was exactly that, a bunch of people yakking in a field, and the field was called Runnymede. They had a great argument that there was no one in their jurisdiction who could address the needs of the common people, and so they called it a House of Commons.

They then wrote books about it. Perhaps that was the downfall. Perhaps it was the downfall of the parliamentary system that someone wrote a book called Beauchesne and another guy wrote a book called Erskine May. Somehow these have become almost biblical in stature, rule books for a Parliament, and Parliament does not have to be relevant, it just has to follow those rules.

I would bet if you took any person from across this country and brought him or her to this door over here and said: "Okay, you have a couple of minutes. Tell these people what you think of them." I think I know what would be said. It probably would not be parliamentary, probably a great deal of frustration and disgrace that this is their country, that they have a say, that they thought you were a decent human being, that you had a contribution to make, and they cannot see you making it.

I am an advocate and always have been of the parliamentary process. I think it is much better than the congressional process, but it has its warts. There is something about a parliamentary process that means once you get elected your brain is removed and that somehow, when you leave your caucus room where you have had your great arguments about the issue of the day, you are no longer allowed to speak to that.

In part, our little motion says: "Let us begin to investigate the institutions of Canada. Let us see if we can find a better way to construct a role for a Senate, if that is what you want. Let us see if we can at least make it democratic. Let us see if we can find a function for that."

But I have to tell you, Mr. Speaker, number two on my list is this place; this place is a disgrace and it ought not to be.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I have only been in this Chamber for just under three years, but I want to say that the hon. member for Oshawa, who is a member of the New Democratic Party, has made one of the finest speeches that I have heard in this place. I want him to know that everything that he has just said is exactly what I hear in my riding. I would not argue a comma with this member.

But I do want to ask him a specific question. In the beginning part of his speech, he talked about the frustration that people are having with the tax system, and he specifically referred to the middle class. Again I agree with him totally. In the last two and half weeks, when I have not been in the Chamber but in my riding, I can tell you that everyone, whether they are in small businesses, medium sized businesses, large businesses, everyone is so frustrated with what is happening.

In relation to the complexity of the tax system, we have just come through a period where people have just finished doing their tax returns, so naturally that frustration is intense. It is even more intense when you think that a lot of these people right now have either lost their jobs or they are afraid of losing their jobs. There is a lot of tension in the community and morale is at an all-time low. Part of our responsibility as leaders of our communities is to deal in hope. We seem to be having a difficult time, as the hon. member has said, in putting it together. I would like to ask him a very specific question: Because he has had experience in both chambers, provincially and nationally, does he have any specific ideas on how we might be able to reform the tax system so that the concept of fairness, the concept of efficiency, and all those things that might put some hope and motivation back into a community can exist? Does he have any ideas on that?

Mr. Breaugh: Mr. Speaker, I have had a chance to observe legislatures and parliaments around the world now for a fair bit of time. They are all different. They have their own little customs. They all develop their own taxation processes. The test the public puts them to asks: Is this fair?

At the moment I believe it is accurate to say that the taxation process in Canada is unfair every time you turn around. What angers people, as well, is that it is all-pervasive.

An hon. member: What should we do?

Mr. Breaugh: For example, when the major thrust of your taxation process is something like a goods and services tax, which is collected at the corner store, people object to it. People go to the corner store to buy goods and services, not to pay taxes. When there is a developing thrust in your taxation process which does not include sitting down at the end of the year to decide what is fair, that everybody is paying their fair share, then that concept of fairness is totally lacking in the taxation process in Canada.

I have heard some people talk about a minimal tax or a flat tax for everybody. That is perhaps a little simplistic for the world. But there is merit in that, and it is simply this: when people look around and see others making far more money than they are and paying absolutely no income tax, they think there is something wrong with the system and they are right. There has to be a base level of taxation based on income, I believe.

Second, I am constantly lost by governments at all levels with their little schemes about avoiding taxes. I think that message has got out to the Canadian public as well. Canadians do not understand, nor do I, how it is that the wealthiest people, the wealthiest corporations in our society, can wind up paying no taxes at all when they pay taxes every time they turn around?

I think the first principle that has to get injected into this system is some sense of fair play. Because, to be blunt, people think they are being screwed, and the truth is they are and they know it. They also know that collecting taxes at the corner store is wrong. They have to be declined dramatically.

I do not suggest for a moment that this is a simple thing, but I think that if you do not get back to a fairness principle, you will never have a taxation process that will be accepted by the population at large, because it should not be.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I want to ask the hon. gentleman a question concerning his comments regarding this Chamber, Parliament and legislatures in Canada. If you go back over debates in this Chamber, and debates I suppose in practically every other provincial legislature, you will find that the same criticisms were made of the Canadian system as the Canadian system has evolved.

Since the hon. member has visited other legislatures and passed an opinion a few moment ago on the congressional system, I wonder if he has come to any conclusion as to what procedure should be followed to change, as he puts it, the procedures in the House of Commons to make it, as he also wishes, more relevant to the year 1991. What should some of these major changes be, and why does not he like the congressional system? As he pointed out a moment ago, he said our system was better than the congressional system.

• (1250)

Does he think perhaps one of the major problems is the fact that individual members of Parliament do not have the ability under the present rules to investigate the administration or to change legislation in their legislative role?

Mr. Breaugh: Mr. Speaker, those of us who have been in legislatures and parliaments in Canada literally drool when we go and see an American congressional system that concentrates a lot of power on the individual member. You look at the kind of facts and figures that they get out of their governments and say: "Boy, would it ever be great if we had a finance committee that actually started off the budget year with every scrap of financial information that the government had, and then made recommendations about what we should do." If only that were our starting point. The big flaw in the congressional system, of course, is very simply that everybody is an individual player. If you go into a legislative chamber in the States where there are 100 members, there are 100 political parties at work and they are all free agents.

The big advantage of a parliamentary system is the cohesion. When you go to Westminster and watch the British system at work you say: "You belong to a party system as I do, in a parliamentary system as I do, how dare your Conservative members get up and challenge your government?" Why is it that when you watch Westminster at work there is as much laying of the lash from the Conservative side of the House as there is from the opposition side. Somehow we got diverted from the parliamentary system in Canada and we are more devoted to our parties than we ought to be. It is our curse.

I know it is a shocking thing to say, but it would be delightful if in this Chamber members on all sides rediscovered their brains and used them and used their human skills. It would be delightful in this parliamentary system if the government of the day had first to convince ordinary members on its own side, its friends, that the directions and the policies of the government, that the laws they wanted to propose were the right ones and if they could not get it through their own caucus they did not bring it in here.

I have been around long enough to know that that is the theory. That is the way the books write it up, but in practice what happens is the minister walks in and says: "This is the way we are going, folks" and everybody goes out over the cliff. If somebody just had the common sense to say: "Wait a minute, that is a cliff there; I don't want to jump off that cliff. Convince me. Don't tell me what I have to do. Convince me." Then the parliamentary system would work as it was originally designed.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? I am sorry there is no more time left. Questions and comments are now terminated.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, it is a pleasure today to stand and—

The Acting Speaker (Mr. Paproski): Is this a point of order or on debate?

Mr. Baker: Mr. Speaker, when you said shall the question be put, is it correct to assume you were referring to only the first portion of the entire question? By accepting your motion and voting on it by a voice vote, were we to then move on to the second portion of the same question which is under consideration in the House? Does this mean that every member can, after that vote, then proceed—in fact some members have already spoken—and speak again to the same main motion under a different heading?

The Acting Speaker (Mr. Paproski): Yes, this is true. We are on Motion No. 1. With this motion, whether it carries or not, we just carry on to Motion No. 2. We have until 10 o'clock tonight. Does the hon. member still want to speak on Motion No. 1? If not, I will put the question.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45(5)(a), I have been requested by the representative of the Chief Government Whip to defer division until a later time.

Accordingly, pursuant to Standing Order 45(5)(a), the division on the question now before the House stands deferred until 10 p.m. later this day, at which time the bells to call in the members will be sounded for not more than 15 minutes.

Shall I call it one o'clock?

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

RADIO CANADA INTERNATIONAL

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, the Conservative chair of the Senate Standing Committee on Transport and Communications has condemned this government's decision to gut Canada's international radio broadcast service.

Senator Finlay MacDonald says Canada's voice to the world has been silenced. Radio Canada International has now eliminated seven foreign language services and three-quarters of its foreign programming. These drastic cuts to a service with a world-wide reputation have sparked national and international outrage.

It was front-page news in Japan, where the Prime Minister recently opened a new embassy.

It is ironic that a government which is obsessed with broadening international trade fails to see that RCI is the best way Canada has of promoting itself to the rest of the world.

I urge the Prime Minister to listen to his colleague's warning. RCI is Canada's link to the world. Our policies and our industries were effectively explained on a world stage. Let us not cut an invaluable service which gives Canada an international identity.

* * *

TAXATION

Mr. Al Johnson (Calgary North): Mr. Speaker, middle income Canadians feel that they are overtaxed. They feel that the tax system is unfair and much too complicated. They know they bear a heavy burden because of the excessive spending of the previous government, but there is no excuse for unfairness and complexity.

We have family allowance, the child tax credit, the dependent child tax credit, the equivalent to married credit, the child care deduction, the GST credit, the spousal deduction, and a plethora of shared cost programs. This is only the tip of the iceberg.

Middle income Canadians also know that the system is unfair. A married two-earner couple, with a combined income of $60,000 and three children, pays up to $5,500 more in taxes than an unmarried couple in exactly the same circumstances. More extreme differences exist when comparisons are made of other family structures and tax inconsistencies.

I urge the government to act quickly to simplify the tax system and make it fair for everyone, regardless of the lifestyle they choose.

* * *

[*Translation*]

COMMISSIONER OF OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, tomorrow, Mr. D'Iberville Fortier, the Commissioner of Official Languages, reaches the end of the mandate he was given by this Parliament in 1984. A new Official Languages Act, the delay in producing regulations, the Conservative goverment's failure to act decisively, court challenges, language conflicts—these are some of the major obstacles and challenges that marked Mr. Fortier's term. His position has certainly not been an enviable one.

As the Liberal critic for Official Languages, I can testify to the tremendous effort and legal battles it took to defend minority rights. The courage shown by Mr. Fortier during the past seven years, against all criticism and despite emerging radical groups, has been remarkable, Mr. Speaker, and we are truly indebted to him.

The new commissioner will have to act with as much energy and vigour and have the same dynamic approach as Mr. Fortier. Only with people like him, who truly respect Canada's legislation on linguistic minorities, will we be able to ensure some day that both official languages in this country are treated equally. Thank you, Mr. Fortier, and the best of luck with your future plans.

* * *

BANKRUPTCY ACT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, today the Minister of Consumer and Corporate Affairs tabled a new bill on bankruptcy and insolvency.

On November 29, 1985, under No. 245, I presented a notice of motion, and on May 20, 1988, I tabled in the House of Commons a motion, which was adopted, asking the government to consider establishing a special wage insurance fund that would be responsible for paying workers any wages pending when a Canadian employer goes bankrupt.

Mr. Speaker, I must say I was very pleased with this bill which contains measures dealing with business restructuring, winding-up arrangements and personal bankruptcies; creates a wage claim recovery program; legislates the rights of unpaid suppliers; and finally, includes various technical changes designed to make it easier and less costly to administer this legislation. This is the kind of initiative designed to help all businesses and all Canadians through a difficult period.

[*English*]

STUDENT EMPLOYMENT

Mrs. Christine Stewart (Northumberland): Mr. Speaker, today the headlines in the local newspapers of Northumberland give no assurances to students looking for work this summer.

Over two-thirds of students registered at a student employment centre are unable to find summer jobs. Meanwhile, there has been no increase in the Summer Employment Experience Development Program, otherwise known as SEED.

The fact is that unemployment levels in my riding are higher than the averages used to calculate the SEED allotments.

In addition, there was an unexplained dramatic decline in allotment between 1989 and this year. This has meant many important programs in my riding have had to suspend summer programs which not only employed many students but benefited communities in important, economic and social ways.

The minister has made the commitment to redistribute funds to areas with the greatest change in unemployment above the provincial average, and therefore I strongly urge him to review the figures in Northumberland and increase SEED funding to more adequately reflect the desperate situation facing many young people in Northumberland.

* * *

CAPTAIN ROSELLA BJORNSON

Mr. Jim Hawkes (Calgary West): Mr. Speaker, Captain Rosella Bjornson was the first female in Canada hired to fly a commercial jet. She was recently honoured during National Transportation Week when she received the National Award of Achievement in Halifax on May 30. In Winnipeg, she received the Manitoba Award of Achievement on June 6 of this year in recognition of her exceptional leadership and success in opening the aviation door to women.

Captain Bjornson was born and raised in Alberta. She was first hired in 1973 by Transair, now Canadian Airlines. Today, 18 years later, she is the only female jet captain employed by a scheduled airline in Canada.

Well done, Captain Bjornson. Well done, Canada.

* * *

PHILIPPINE INDEPENDENCE DAY

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, June 12 is an historic day for Filipino Canadians. Although we are now Canadian citizens, we carry in our hearts the memory of that day, 93 years ago, when our great-grandparents freed themselves from Spanish rule.

At that time, the Filipino people came to understand independence did not mean being alone, working in the interest of yourself; it meant standing together to attain greater goals.

Today, though we stand on Canadian soil, we carry from our motherland that spirit of independence.

Indeed, we believe the meaning of independence is unity, working together for the greater whole. This is one of the values we bring to Canada, along with goodwill and and understanding toward others. Happily they are values shared by all Canadians.

I hope the Filipino people in Canada and all Canadians will join us in celebrating Philippine Independence Day as we join together in our common search for national Canadian unity.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, on December 5, 1990, the CBC closed its three television stations in Eastern Quebec, depriving the people of the Lower St. Lawrence, the Gaspé and the Magdalen Islands of a vital communications medium.

This situation has led to a dangerous level of underbudgeting for the CBC's radio stations, because initially, managers of television and radio stations had restructured their operations so that radio operating costs would be largely absorbed by the television budget.

Mr. Speaker, my constituents are worried, and they are afraid that what happened to television will happen to radio as well.

Mr. Speaker, I share their concern, and I want to ask the minister responsible for the CBC to do something about this right away.

S. O. 31

[*English*]

DE HAVILLAND

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my what an interesting course has been followed in the privatization of de Havilland.

First the government sells it to Boeing, or should we say pays Boeing to take it of its hands. Investment Canada thinks it is great—it always does—but Boeing decides its hands are full and sells it to the ATR consortium. Hence, privatization leads to government ownership, only not our government.

The opposition identified trouble ahead from the very beginning in lost jobs, lost research and development and lost production of the Canadian Dash-8 series. After all, ATR's commuter plane competes directly with the Dash-8.

Our government saw no problem because privatization is good. Investment Canada saw no problem because foreign ownership is good.

The European community is as concerned as our government is not about the reduction in competition in commuter aircraft and will examine it.

The sale delayed, de Havilland's survival is now endangered by the loss of orders caused by uncertainty and doubt and the stupidity of this government.

What will the government do to make it right? Buy de Havilland?

* * *

• (1410)

REFORM PARTY

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, the leader of the Reform Party gave a speech on Tuesday night right here in Ottawa. He spoke at length but never once mentioned that he was in favour of controlling government expenditures by cutting thick layers of middle management in federal administration. That is his policy and it affects the residents of this city of Ottawa.

He also never mentioned his policy of a 15 per cent cut to federal program spending across the board in every area. This 15 per cent cut means seniors receiving the OAS and GIS would have their incomes reduced by $120 per month or $1,427 per year. It seems to me the Reform man has one message for Calgary and another message for Ottawa.

Why is he not consistent across Canada?

* * *

CO-OPERATIVES

Hon. Jean Chrétien (Beauséjour): Mr. Speaker, I rise on an issue which is of great importance to my constituents, many of whom belong to co-operatives.

The co-operative is very important to Atlantic Canada. People in local communities, farmers, fishermen and consumers studied the problems that faced them and decided to solve those problems through the use of co-operatives. They have had great success. Today more than 174,000 families own 174 co-operatives.

With the GST, this government has created an unfair and unacceptable tax system which tilts the playing field against co-operatives. Today, if someone in Shediac or Buctouche wants to buy a share in a co-operative, they must pay GST.

On the other hand, someone wishing to invest in a large multinational corporation can buy the shares without paying the GST.

[*Translation*]

Furthermore, the GST is applied to certain foods purchased directly from a co-op, but it does not apply to the same foods purchased from a multinational chain. Because of this double standard, co-ops in the Atlantic provinces stand to lose over $1 million. This region needs a strong co-operative movement.

I feel the government should review this problem and give co-ops throughout the country a fair deal.

* * *

BANKRUPTCY ACT

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, today, the Minister of Consumer and Corporate Affairs and Conservative member for Bellechasse, the Hon. Pierre Blais, tabled new legislation on bankruptcy and insolvency.

It introduces provisions to protect workers affected by bankruptcy who lose their jobs and, in many cases, the wages they are owed.

From now on, these workers will be able to seek reimbursement for their unpaid wages up to a maximum $2,000, plus $1,000 for expenses in the case of travelling salesmen. They will receive this reimbursement within four to six weeks.

Mr. Speaker, this is a measure designed to help all Canadian workers.

I say: congratulations to the Tory government!

* * *

[*English*]

CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, the last edition of the cross-border report outlined the critical role of the Canada Customs in addressing the cross-border shopping issue.

In Sarnia—Lambton, cross-border shopping is visible through the line-ups at the Blue Water Bridge and the worrisome impact on local businesses.

The problem is serious, with no quick fixes. It will require effective, collaborative action by a number of players. This, however, does not preclude the federal government from seriously looking at our policies as they contribute to cross-border travel. This includes Canada Customs.

Locally this may include the trial of a PACE amended type program, the trial of tourist lanes or the use of new technology. Some or all may help improve service at the border, especially for our commuters and American travellers to and from the many tourist attractions in our area.

At the Blue Water Bridge, more personnel will help us address the line-ups. I have written directly to the Minister of National Revenue requesting more Customs personnel at the Blue Water Bridge.

With more personnel and other initiatives, the objective must be the collection of all applicable duties and taxes. We want no more wave-throughs and the absence of excessive line-ups at the Blue Water Bridge.

S. O. 31

BELLA COOLA

Mr. Stan Wilbee (Delta): Mr. Speaker, for many years the native and white villages of Bella Coola shared the same water supply.

However, when the federal government put in a new system on the reserve, the white village was left with an inadequate, badly contaminated water supply. Now the native supply has also been found to be contaminated, requiring much more work.

The Minister of Indian Affairs and Northern Development is now working with both parties to resolve the problems. It makes good sense for both villages to co-operate to establish one good, safe system rather than duplicate costly installations.

I call on all parties to work together to provide a safe and secure water supply for all, not just for part of the populations. We need more examples of native—white co-operation, not confrontation.

* * *

MEME BREAST IMPLANT

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, despite the removal of the Meme breast implant from the market, thousands of Canadian women remain deeply troubled by the lack of information available on the safety of breast implants.

It is now apparent that research into the Meme is being guided not by the desire to provide impartial and factual information, but by political considerations.

A woman in Montreal has been told by a surgeon that he will remove her Meme implant only if she agrees to donate that implant to a research project at McGill University, headed by Dr. Carolyn Kerrigan, who is doing research funded by the manufacturer of the Meme and is the same doctor whose report on the Meme for the Department of National Health and Welfare claimed there was no health risk with the Meme.

Are members of the medical profession now more concerned with manipulating research than finding the truth and allaying the fears of Canadian women with the Meme implant? Are they being aided by this government which has demonstrated over the last several years that it has neither the resources nor the intent to give us the answers regarding the Meme implant?

ORAL QUESTION PERIOD

[*English*]

CONSTITUTIONAL AFFAIRS

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

I know that the minister said in the House yesterday that he does not like to be put under pressure during Question Period, but I would remind him of the advice of Harry Truman: "If you can't take the heat, get the hell out of the kitchen".

Yesterday it was announced that Mr. Gordon Smith, Secretary to the Cabinet for Federal–Provincial Relations, was being reassigned overseas. Can the minister tell the House why Mr. Smith was let go? Why is the senior constitutional adviser to the government being sent overseas less than 60 days before the government tables its position before the country?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I find it passing strange that a great, well–known Canadian nationalist like the Leader of the Opposition would have to quote an American. Can he not find a Canadian to quote if he is trying to throw a jab across the House? He does however ask a serious question.

It should be made very clear that everyone in this government, and I am sure the hon. member who has had the opportunity to work with Gordon Smith, has the highest regard for his professional abilities. He is a first–class public servant and we look forward to continuing to work closely with him in his new assignment.

This is the number one priority file of the Government of Canada. We thought it made more sense to have the senior public servant in the country who is well experienced in this file working with me, working with the Prime Minister and working with our committee to ensure that we make the most progress possible toward renewing this country in the way that I believe the Leader of the Opposition and certainly members of this government want to see happen.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): What the minister is trying to tell us is not quite clear. We don't know whether he was fired or not. I would like to ask the minister: Did he discuss career plans with Mr. Smith yesterday? Or did he let Mr. Tellier do the dirty work and tell him he had been transferred? Or did Mr. Smith himself asked to be transferred to another position? What happened? Canadians want to know the facts. Why are we asking Mr. Smith to go overseas, far away from these issues, when the government called him back less than a year ago to work on this important dossier?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, at least the Leader of the Opposition is now quoting Canadians, not Americans. At least that is something.

I think I already answered the question. A decision was made by the Prime Minister. I was consulted. As usual and as is normal in the circumstances, the first conversation was between the clerk and the deputy minister. And then I had a personal conversation with someone for whom I have a great deal of esteem and whom I consider as friend: Mr. Smith.

• (1420)

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the appointment of the Prime Minister's right–hand man, Mr. Tellier, as Secretary to the Cabinet on Federal–Provincial Relations, means that the Prime Minister has retaken control of the constitutional file.

The Minister responsible for Constitutional Affairs was appointed precisely because he was supposed to have some credibility and because he was not directly involved in the constitutional process last year. How can the minister operate at arm's length when he and the Prime Minister both have the same right arm?

I used to be in that job. I have been there before, and I want to ask a very serious question of the minister of constitutional affairs. How can he stay on as minister when the Prime Minister has so little confidence in him, when the Prime Minister made him his dignified parliamentary secretary?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, there have been circumstances in this country when two parliamentarians, two Canadians, ran for the leadership of a party and one won and the other went away and sulked.

The example that the Prime Minister and I have set is that we both ran for the leadership of our party. When the Prime Minister was chosen the leader of my party and the Prime Minister of my country, I worked very closely with him. I continue to do that. I have no worry about that at all.

Some hon. members: Hear, hear.

Mr. Axworthy (Winnipeg South Centre): Bring in the coffee, go get the coffee, very close.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is directed to the Minister responsible for Constitutional Affairs.

Before the minister assumed his new responsibilities, the newspapers reported that he insisted on working at arm's length from the Prime Minister. How can he claim today that he is still working at arm's length, when his deputy minister no longer reports to him but directly to the Prime Minister?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, here at least we work as a team, and I am absolutely confident we can continue on that basis.

I really would like to know, since the hon. member is his party's critic for constitutional affairs, whether the Liberal team can be as united and as effective as our team where constitutional matters are concerned. I hope so, because in that case, it will be good for the country.

Hon. André Ouellet (Papineau—Saint-Michel): I realize, Mr. Speaker, that today, the minister is having a lot of trouble maintaining the semblance of credibility he wanted to have in the constitutional dossier.

Some hon. members: Oh, oh!

Mr. Ouellet: Clearly, the answers he has given during the past few days and especially today cause one to question his ability to take care of the constitutional dossier himself, without having right behind him a Prime Minister who is prepared to gamble, to roll the dice on Canada's constitutional future.

My question to the minister is this: Could he confirm to the House that his suggestion was that the Prime Minister appoint Mr. de Montigny Marchand as the new deputy minister and that the Prime Minister refused and appointed Mr. Tellier instead?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, the hon. member's information on the situation in External Affairs is as incorrect in this particular case as it has been in other instances.

* * *

[*English*]

TRADE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister for International Trade.

Following yesterday's meeting on the Canada-U.S.-Mexico trade talks I understand there were six committees created which defined the priority areas for the talks, but nowhere on this priority list were environmental issues, workers' standards or indeed social standards.

Will the minister give this House some assurance that he will work for an agreement on workers' rights, on environmental standards and on social standards, or will he say there will be no trade deal until we have those for the people of Canada and for the people in Mexico and the United States?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the discussions that we had yesterday were related to the trade negotiations themselves. They were not related to the parallel work that we will be carrying out with the Mexicans and the Americans on questions that she has just raised on labour standards and environmental standards.

As I am sure my hon. friend is aware, we have a memorandum of understanding with the Mexicans where we are discussing—and we have had it in place for a little over a year now—environmental issues. That work will be going on.

I had a discussion with my colleague, Mr. Serra, and told him that we would like to have a group come down to Mexico City and discuss the work of that group in relation to the process of the trade talks.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, continually during the Canada–U.S. trade deal the minister said that it was just a commercial agreement and that it did not affect these other areas. However, if we talk to the 313,000 unemployed right now who have lost their jobs since the trade deal or the 1.5 million unemployed in Canada, if we talk to those people who had manufacturing jobs—and since 1989 one in six of those jobs has gone—clearly this government has to take seriously the concerns of working people and their futures and the futures of their families.

Many of the jobs, and the minister knows this, have already gone to Mexico. I could give a long list, but there are jobs from Burlington, Cambridge, Waterloo, Penetanguishene, and across Canada. We have seen companies moving out of this country. As one company official recently said: "These are jobs that will never come back to Canada".

During the last trade talks we talked about—

Mr. Speaker: I would ask the hon. leader to put her question.

Ms. McLaughlin: The minister has said there is no need for worker adjustment programs during these talks. Will the minister stand up for Canadian workers and make sure there are adjustment programs here in Canada? He certainly did not do it before. Will he take workers' concerns seriously this time?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, let me point out that the impact of the trade talks with Mexico is quite small in relation to the size of the free trade agreement with the United States.

In this case we are talking about $2.2 billion trade with Mexico, two-way trade; with the United States it was over $200 billion.

Since the free trade agreement with the United States we have increased the amount of funding for training programs by some $500 million to $800 million. We have responded to the needs of people who are moving from one job to another.

My friend has referred to the impact of the free trade agreement. I understand her difficulty in differentiating the effects of the recession and the effects of free trade.

• (1430)

I commented the day before yesterday in the House that the impact of the free trade agreement has resulted in our trade surplus with the United States growing from $14 to $17 billion and our exports to the United States growing by 12 per cent, both since 1988. In addition to that there has been a positive swing in Canada's direction of some six and a half billion dollars of foreign direct investment. There are many examples and I have a book here which outlines them.

Hon. Audrey McLaughlin (Yukon): A supplementary question, Mr. Speaker. I am sure that all unemployed workers across this country would love to see that book, but they cannot eat it. They need food on the table and they need jobs in this country. On another matter, Mr. Speaker—

[*Translation*]

Yesterday, Carla Hills, the U.S. negotiator in free trade talks with Mexico and Canada, his country, told journalists that according to her, everything was on the table. Nothing is excluded. Yesterday, however, the minister refused to say whether culture was excluded from the talks on the agreement with Mexico and the United States. I want to ask the minister responsible for these negotiations: What is he going to do to make the United States understand that culture is not negotiable?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I have said time and time again culture is not negotiable. What Mrs. Hills said yesterday is that these matters were not discussed because it was not the forum for that type of discussion. If I asked Mrs. Hills whether marine transportation was on the table, she would say absolutely not. If I asked Jaime Serra Puche from Mexico whether the ownership of the oil energy reserves was on the table, he would say absolutely not.

Similarly, if I am asked by either of them whether culture is on the table, I say absolutely not.

* * *

IMMIGRATION

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, according to public documents, on April 30, Paul Tellier, the Prime Minister's chief public servant, gave advice to the Prime Minister that the press line on the Al-Mashat affair was, and I quote: "That ministers would respond that Mr. Al-Mashat met requirements as a retiree, was processed under minimal standards and was not accorded preferential treatment."

Today in press reports the Minister of Employment and Immigration has stated that this press line was a lie. The minister has said in effect that the Privy Council Office, which reports directly to the Prime Minister, was counselling ministers to tell a lie to Parliament. What has the Deputy Prime Minister or the Prime Minister done to investigate these extraordinary allegations?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I will preface my answer by immediately stating that maybe my choice of words yesterday to a reporter—

Some hon. members: Oh, oh.

Mr. Valcourt: —was poor or too severe. I never intended to say that officials came to me and said go out and lie to Canadians.

What I meant to say was that if we had bought the media line that was offered to explain the entry of Mr. Mashat into Canada we would have misled Canadians. That is why, on May 14, the Secretary of State for External Affairs and I gave a report as to how this happened. All the facts are before the committee and nothing has changed.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, for the last three weeks we have seen ministers of this government committing acts of verbal gymnastics.

Some hon. members: Order.

Mr. Speaker: There may not be anything wrong with it, but I did not know where it was going. The hon. member will put his question.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, this is where it is going. I think it is absolutely essential that this government, under the circumstances of these allegations and the statement made by the minister in the House, that once again he is changing his story. Is it not absolutely imperative this government reopen the parliamentary inquiry that was shut down this morning by its own members? Are we going to get to the truth or not of this case? Will the Deputy Prime Minister have the inquiry meet this afternoon to question this minister?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, my sense is that the opposition is really not interested in the facts, they are more interested in pursuing their own theories and allegations, allegations which have yet to be substantiated.

Ministers have appeared before the committee. They have outlined a chronology of events. Officials have appeared before the committee. Still hon. members opposite are carrying on a witch hunt based upon their own allegations and theories. Well, they had their chance; why did they not do their job properly?

If hon. members of the opposition could not find evidence to substantiate their theories and their allegations, then why don't they knock it off?

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my question is for the Minister of Employment and Immigration and it concerns the astonishing statement that he is reported as having made today. I quote it verbatim because it is not a very complicated phrase. "They wanted me to lie."

There is no explanation in the story by way of direct quote as to who "they" are. Therefore, this statement is profoundly disturbing—calling into question the very integrity—

Some hon. members: Oh, oh.

Mr. Speaker: Perhaps the hon. member could put his question.

Mr. Wappel: Mr. Speaker, the statement calls into question the integrity of civil servants and politicians alike. We on this side are interested in the facts. Will the minister give us the facts as to why he said "they wanted me to lie"?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I have already indicated that maybe my choice of words yesterday were poor. I did not mean to cast any implications.

He talks about the integrity of the Public Service, and I know the high esteem the hon. member—especially of the Liberal Party and the NDP—have for our Public Service. I saw how they treated Mr. Tellier so I understand his concern.

I never meant to cast doubts on the integrity of the Public Service. The words I should have used were that if I had followed the line suggested I would have misled Canadians, and I did not want to mislead Canadians. Hence, we are before a committee. They have all the facts, but he is still on his witch hunt. Go ahead.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the words are clear: "They told me to lie." There is no explanation about who "they" are. Talk about an innuendo against the entire civil service.

What is the minister going to do? These people do not have a public forum to defend themselves. What is the minister going to do to remove the cloud of suspicion he has placed over their heads with his cavalier phrase.

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I have already explained that maybe the words were a bit harsh. But if the member really cares about the facts, let him look at the evidence before that committee. Take the media line that was offered and tell me, if I had come out and told Canadians that line what would I have done? I would have misled them and I did not want to mislead Canadians. The government does not want to mislead Canadians, and we haven't. The facts are there but you seem to like to continue keeping Canadians in the dark. Go on.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the same minister.

The minister has said "the media line that was offered was wrong". I want to ask the minister a very straightforward question. In view of the fact that according to the evidence the committee has heard, the media line that was offered on April 30 was that which was prepared by Paul Tellier, the Clerk of the Privy Council.

I want to ask this minister a very straightforward question. Who were the officials to whom he is referring when he says "they wanted me to lie; I refused to lie". Who were those officials who wanted him to lie, that offered him a media line? Who prepared that media line that he was going to be offering up at the advice of public servants? Either come clean or stop the innuendo.

• (1440)

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I have already answered the question. If the member is really interested in knowing the facts, let him go to the evidence that was presented before the committee which, by the way, still has to report to this House.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have referred the minister directly to the evidence before the committee which indicates that the press line that was prepared for the Prime Minister by the Clerk of the Privy Council indicated that ministers were to lie and say that he was not accorded preferential treatment.

I want to ask this minister a straightforward question. Who was it that told the minister that the media line was in fact to indicate that there was no preferential treatment for Al-Mashat? Who told him to lie and who prepared the lie in the first place? Was it the Clerk of the Privy Council?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the committee is considering all the evidence before it. I think the answer to the hon. member's question is in the evidence that was given before that committee.

Mr. John Nunziata (York South—Weston): Mr. Speaker, unfortunately, at the committee the ministers were not under oath.

Yesterday, the minister said—

Some hon. members: Oh, oh.

Mr. Speaker: Just for a moment, I want to make a comment. Hon. members know that when we have an intense issue there are always temptations to either be very aggressive or to respond accordingly.

Second, we have been trying over a number of days to deal with the not altogether easy issue of how to handle the matter, some of which is outside the committee and some of which is in. I want it made very clear that I do not believe I would be doing my duty as your Speaker if I allowed preambles, no matter how well disguised, that amount to an accusation that somebody is not telling the truth.

I would ask hon. members to keep that in mind. I would hope that the hon. member for York South—Weston did not intend that. Please put your question.

Mr. Nunziata: Mr. Speaker, yesterday the minister said: "They wanted me to lie. I refused to lie." A few minutes ago the same minister said: "If I followed the line I would have misled Canadians." It means the same thing. He is accusing civil servants of counselling him to tell a lie.

I would like to ask the minister, if that is the case, if in fact he was counselled by officials to lie to Canadians and to this Parliament, why did he not say so in version A or version B or version C or version D? Why did he wait until yesterday to make that allegation?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, for anyone who cares to look at the facts that are before the committee, he will see that I said nothing new yesterday. Everything is before the committee and the committee will draw its own conclusions and hopefully Canadians will do the same.

Mr. John Nunziata (York South—Weston): Mr. Speaker, the minister today is confirming why 71 per cent of Canadians have formed the opinion that this government is not telling the truth in the Al-Mashat affair.

I would like to put a question to the minister again. I would like to ask the minister very specifically, when he made that statement yesterday about civil servants lying and when he repeated it again today in the House, exactly what did he mean and why did he not inform Canadians sooner that senior civil servants were counselling him to tell lies?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the Liberals give truth to the adage that truth is often stranger than fiction. They do not seem to be able to swallow the truth. They have it, the committee has it and it will report to the House.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, this minister is having trouble keeping his story straight for more than 30 seconds.

The fact of the matter is that the minister is quoted in the newspaper as saying: "They wanted me to lie. I refused to lie". Now the minister says: "I did not mean to use those words". The minister was on Radio Canada today at noon, reaffirming this story about being asked to lie, in both official languages. In English and *en français* the minister has claimed he was asked to lie.

I ask the minister: Who asked you to lie? What was the lie? Will you come before a parliamentary committee?

Some hon. members: Oh, oh.

[*Translation*]

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, the answer I gave earlier still stands.

[*English*]

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, a supplementary question. Let me be kind and say, with whatever word, with whatever adjective the minister cares to describe what people tried to influence him to do, we will accept any adjective he wants. But will he tell us, at least, what it was that certain people who are now unnamed, tried to influence him to do and why did he not tell the parliamentary inquiry when he appeared before it about this undue, improper influence exerted upon a minister, by whatever name he wants to categorize it? There is only one name Canadians understand. It is a whitewash and a cover-up and a lie.

Mr. Speaker: I would ask the hon. member to withdraw.

Mr. Tobin: Mr. Speaker, because of my great respect for the Chair, I withdraw the word "lie".

* * *

CANADA POST

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the minister responsible for Canada Post.

The government has expressed great concern about cross-border shopping by Canadians. With that in mind, how can the minister explain why most Canadian mail, including mail from Toronto to cities like Vancouver, Winnipeg and Calgary, is trucked over American highways, therefore avoiding using Canadian goods and services, purchasing Canadian gasoline or paying any Canadian taxes?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I assure you that Canada Post pays Canadian taxes. Indeed, under the direction of this government, it has gone from being a recipient of Canadian taxes to the tune of $400 million to paying a dividend last year of some $50 million and showing a profit of $150 million.

Canada Post is committed to delivering the mail within the standards that have been laid down. Every quarter auditors measure the performance. It is now the most efficient postal system in the world. They deliver the mail from Toronto to Calgary or Toronto to Vancouver and vice versa, as quickly as possible through private carriers. Most of it goes by airline, as a matter of fact, for those distances. Sometimes the airlines fly over the United States on the way to their destination.

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary is for the same minister.

Why would the Government of Canada encourage, or for that matter force basically through their bidding system, companies to drive through the United States? It is a lot of the mail, not just a bit of the mail that is going right through the States; therefore, they are not paying Canadian taxes on the services they buy. They are not providing jobs for Canadians. What kind of policy does this government have?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I really wonder where the hon. member is coming from in terms of this question. Canada Post is endeavouring to deliver the mail as quickly, as efficiently, accurately and as cheaply as possible.

• (1450)

Ninety per cent plus goes by air. Ground transport is usually for parcels and so on, but they try to get it from point A to point B as quickly as possible. They use Canadian truckers, Canadian drivers and, indeed, they are now returning profits to Canadian taxpayers who suffered too long because of the way the post office used to be run.

PUBLIC SERVICE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is for the President of the Treasury Board.

Canadians are feeling taxed to death and are demanding that cuts be made in the huge federal bureaucracy. I was pleased to hear last February that civil servants' pay will be frozen this year. The February budget also included a commitment that several layers of management will be eliminated and that 10 per cent or at least 475 executive jobs in the Public Service will be terminated.

Many business people have had to downsize their companies and lay off employees in order to survive, and they had to take these steps quickly. It is over three months since the budget announcement. I want to know if the government has made substantial progress in its commitment to cut at least 475 executive public servants and eliminate layers of management.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to tell the hon. member that based on the information we have gathered from various departments, I would say that the reduction is progressing rather well.

I have asked for a report to be made to me by September 1, 1991. I would like to remind him that we have indicated in the budget that a reduction of 475 managers would have to be achieved over a period of two years.

* * *

OFFICIAL LANGUAGES

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Acting Prime Minister.

The government has known for more than a year that the term for the Commissioner of Official Languages would expire this week, yet, there have been no consultations with the opposition and no parliamentary resolution to appoint a new commissioner has been tabled.

Considering the constitutional discussions taking place and considering the attacks that are being made on linguistic duality, this level of incompetence is not acceptable.

When will the government commence negotiations or consultations with the opposition for the appointment of a new commissioner? Will we have that resolution to appoint a new commissioner before the House adjourns next week?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I cannot assure that such a decision will be made before the end of the week, but I certainly will take the hon. member's question as a representation.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Mr. Speaker, as I pointed out, the government has known for a long time that the appointment would expire this week, and there is no excuse for this delay.

[*Translation*]

Mr. Speaker, minority language communities in this country are keenly aware that the situation is delicate and urgent. Is the government prepared to propose a successor to Mr. Fortier before it adjourns next week? This is very important.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as I indicated to the hon. member, I am sure that the matter is in hand.

I do not have all the facts at my disposal at the present time, but I will certainly get back to him as soon as I can.

* * *

WEEKLY NEWSPAPERS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Communications, and it is in one carefully crafted sentence as outlined in the Standing Orders.

The weekly newspapers were pleased to learn that current postal rates for Rate Code 2 weeklies were extended to March 1992. Some weeklies under Rate Code 3 cannot realize the benefits. Will Rate Code 3 weeklies be given some consideration as Rate Code 2 weeklies?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I thought the question was excellent.

A program announced a few days ago deals with Rate Code 2, or community newspapers. In the case of Rate Code 3 newspapers which are regional and national weeklies, on March 1 my predecessor announced a program to assist them to the tune of some $2 million a year for the next three years.

* * *

COMMUNICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Canadians are paying millions and millions of royalty dollars to American broadcasters because this government did not understand, did not consult and did not adequately defend Canadian cultural industries in the last round of the free trade negotiations.

Why do Canadians in Toronto, or anywhere else in Canada for that matter, have to pay twice as much as Americans for every single channel that they watch, the same ones that they watch. What is the minister planning to do about that?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, my colleagues, when they negotiated the Canada–U.S. Free Trade Agreement did an excellent job in protecting Canadian culture. That is precisely why Carla Hills is attempting today to reopen the issue and why we are saying no.

As it relates to the issue of retransmission on cable, I am pleased to say that my hon. friend was at the luncheon at the Canadian Cable TV Association three days ago where I gave an excellent speech and outlined all of our positions on this.

Some hon. members: Oh, oh.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am glad the minister was satisfied with his performance. I can only tell you that the cable industry is not as satisfied as the minister is. The cable industry has been waiting six months for this minister to keep his promise, to keep his word, and to issue guidelines that can be used by the copyright board in the setting of royalty rates, which he has not done yet.

Is not the real reason why this minister cannot set those regulations and has not presented them because the Americans want to pluck even more than the 75 per cent to 80 per cent that they have plucked to date from Canadian pockets? When is this government going to say enough is enough. Do you not think that $38 million out of $51 million transmitted is just too much?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, I watched my friend closely during that speech. She did not choke on her dessert when I got to that portion. She was very happy and looked very content with the initiative being taken by the government.

If the industry was waiting six months for me to take this action, the first four and a half were taken waiting for me to become minister. I have only had this job for about six weeks now. What I indicated in the speech was that my colleague the Minister of Consumer and Corporate Affairs and I would be giving guidance to the copyright board. We will be doing that. There will be public hearings. They will have an opportunity to take on board all the concerns expressed by my hon. friend.

* * *

[*Translation*]

THE ENVIRONMENT

Mrs. Carole Jacques (Mercier): Mr. Speaker, my question is directed to the Minister of National Defence.

Yesterday, the Citizen's Committee of Guybourg sent the Minister of National Defence formal notice demanding that decontamination of the Longue-Pointe garrison property be started immediately.

Mr. Speaker, I would like to know what the minister intends to do about decontaminating this property.

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, this is a serious matter, and both the Department of National Defence and the Department of the Environment are concerned about a situation that is the result of many years of industrial development in the region.

A number of studies have been made in the past few years, and another study is currently being conducted to determine what action should be taken. I can assure the hon. member and the people of the area that we will do everything we can.

[*English*]

Mr. Nowlan: Mr. Speaker, a supplementary to the chairman of the defence committee, the member for Crowfoot. I congratulate the hon. member on his re-election as chairman of the defence committee.

Does the hon. member intend to have the defence committee sit during the summer months to consider Rear Admiral Thomas' resignation and/or the defence paper and position before cabinet comes out and tells us all what is going to be done?

Mr. Arnold Malone (Crowfoot): Mr. Speaker, it is the present intention of the defence committee to consider veterans affairs, which we have been doing. We will be going to Sunnybrook Hospital this coming Tuesday.

The hon. member asks me to answer the question and that is next. I think the question put by the hon. member for Annapolis—Hants is very appropriate, that we as a committee take a look at defence policy. We have indications that there will be a policy pronouncement coming very soon, in the early summer. It is the intention of the committee to take a look at that policy when it is there, to be a vehicle through which the public of Canada can make a response. The committee can then put its analysis to it and make recommendations.

• (1500)

[*Translation*]

Mr. Speaker: The hon. member for Shefford, but only one question, please.

* * *

BANKING CENTRES

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State (Finance). In December 1987, the Prime Minister announced in Montreal, with a great deal of media fanfare, that the city would become an international banking centre. Today, three years later, I would like to ask the minister how many Montreal banks are operating as international banking centres, and how many jobs were created thanks to his government's plan to establish international banking centres.

[*English*]

Mr. Speaker: The question is getting very close to the kind of question that should be on the Order Paper. If the minister wants to deal with it—

[*Translation*]

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I can inform the hon. member that we, as a government, acted in response to a request from Montreal to make certain mechanisms available to them. We did, and I think it is up to Montreal to comment on the results of our co-operation.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Madam Deputy Speaker: I think the hon. member will appreciate that I wait until the House is a little quieter so that I and others may hear him.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, I would appreciate it if the government House leader would indicate the business for tomorrow, Monday, and for the remaining part of next week.

While the minister is on his feet, I would ask him a follow-up to what I had previously asked him and to a question that was directed to the Deputy Prime Minister today concerning the appointment of the Commissioner of Official Languages.

Could he give us an update in terms of the process that will be put in place for this particular appointment, when in fact members of the opposition, particularly the opposition leader, would be informed and consulted on this most important matter? I understand the Deputy Prime Minister took it as a representation but I had asked him.

Would the government House leader indicate whether he intends to have some discussions later this day on the terms of reference with regard to the motion concerning constitutional affairs? I am in the process of writing a brief letter to the minister indicating some concerns that we have on this matter. Perhaps he might want to receive it before replying in detail.

Finally, would the government indicate whether or not it will be tabling a bill before June 21 with regard to freezing salaries of public servants? Is it the minister's intention to table a bill, or is it his intention not to proceed with that before June 21?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, today we will be continuing debate under the order of Supply which will conclude at 10 p.m. with the introduction and passage of the appropriations bills that follow from the estimates.

Tomorrow, pursuant to a House order, we will proceed to complete third reading of Bill C-11. Then I would like also to complete second reading of Bill C-10, the Excise Tax Act, as well as complete report and third reading of Bill C-2, the National Energy Board bill. There have also been discussions with my colleague, the Minister of Labour, and members of the two parties in respect of legislation to bring to an end a grain handlers' work stoppage on the west coast. This is causing considerable financial harm to the farming community, which does not need any more bad news in terms of what has been happening *vis-à-vis* international prices and markets.

On Monday it would be my intention to call for continued second reading of Bill C-20, the budget implementation bill. In terms of the remainder of that week, I would hope to have discussions with opposition House leaders to determine how we might most expeditiously complete the program for the following week.

In terms of the Commissioner of Official Languages, as I have indicated the Prime Minister certainly intended to have the discussions with the leaders of the parties. I know that there has been difficulty in terms of travelling plans. While the Prime Minister was in the city, the Leader of the Opposition was not, and vice-versa. But there will certainly be those consultations in respect of naming a commissioner, and I will have to get back to the hon. member to tell him specifically what efforts are being made to conclude those as early as possible.

The terms of reference for the joint committee on the Constitution I believe have been made available to both parties for examination. The President of the Privy Council has had discussions with the constitutional spokesman for the Liberal Party, as well as with the leader of the New Democratic Party, about these terms of reference. I understand there is general acceptance, but if there are recommendations for improvements I am sure those will be entertained.

The desire of the government is to get this committee sanctioned by Parliament so it will be in a position to work in the fall when the federal government's paper is available. We all hope and pray that the work of this committee will come to a successful conclusion resulting in a more unified country.

I am not able to confirm or deny the question of whether a bill will be tabled respecting a freeze on the Public Service other than to make the general commitment that the policy and the intentions of the government outlined in the budget continue to be in effect. There has been no change in the government's position in respect of what was announced in the budget.

Mr. Dingwall: Madam Speaker, through you to the government House leader, I appreciate his remarks with regard to business for tomorrow, but I am wondering if you might consider, because of travel plans of some of our critics, that we could proceed with Bill C-10 and perhaps with Bill C-11 thereafter.

The minister has referred to the terms of reference of the constitutional committee. Quite rightly there have been discussions among the various parties. We have a number of concerns that I will put in writing and deliver to the government House leader forthwith, and then perhaps later this day if we could peruse those that would be very helpful.

Finally, with regard to the appointment of the new Commissioner for Official Languages—and I say this quite seriously—I would hope that the government would proceed expeditiously and provide the necessary information to opposition members on this matter. Although members are travelling and schedules are varied, perhaps if the Prime Minister were to initiate in writing his concerns and his perspectives on this matter, this might help to facilitate a decision which we believe is fundamental to our country and of course to official bilingualism.

• (1510)

Could the government House leader give us some assurances with regard to the bill, the constitutional committee and the Official Languages Commissioner?

Mr. Andre: Certainly in terms of the bill I would concur with that suggestion. There is no problem in that regard. In terms of the table officers the order would be Bill C-10, Bill C-11, and Bill C-2, perhaps altered, depending on discussions in respect to the bill to end the work stoppage and the grain handlers 'strike on the west coast.

In terms of reference I really do not have anything to add. I cannot speculate what might be in the hon. member's letter, but I am always pleased to receive mail from the hon. member. I just hope he gets the postal code right.

The third point dealt with the Commissioner of Official Languages. I will certainly pass on the representation of the hon. member to the Prime Minister.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, on this same point, the last point the government House leader addressed with regard to the Commissioner of Official Languages, I wonder if the government House leader could assure the House that the position will not be left vacant over the summertime. He knows that a resolution of both the House of Commons and the Senate is required in order to make that appointment, so I wonder if he could just assure us that this position will be filled over the next week.

Mr. Andre: I can certainly assure the member every effort will be made in that regard.

Madam Deputy Speaker: I have received notice of a question of privilege.

* * *

PRIVILEGE

VANDALISM

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, earlier this week I provided the Speaker with a letter outlining a question of privilege that I wished to raise today.

The matter involves events last week where several members' constituency offices were targeted for vandalism which involved gluing posters to the windows. I learned over the course of the weekend through an article that appeared in the newspaper that a staff member from the constituency office for the hon. member for Edmonton East said she had participated in the planning of this.

I believe it is totally inappropriate for a member of this House or their staff to be involved in the wilful vandalism of government or House of Commons property. I have had to have these posters removed, and other members have, and bills have been incurred which will ultimately be paid by the House of Commons and thereby the taxpayer.

I think there are precedents involved where contempt has been found involving the placing or the publishing of posters. I do not want to take the time of the House today to outline them all, but they are mentioned in, among other places, Griffiths, *Parliament; Functions, Practice and Procedures*.

There are two points here I would like to make. First of all, I think this could be resolved in a number of ways. If the persons responsible are prepared to pay for any damages, then that could be satisfactory. However, Madam Speaker, I think that the hon. member and a person working, employed and paid by the House of Commons should be willing to provide the names and details and information to you. If it was thought appropriate, it could be taken up by the Board of Internal Economy and/or the Management Committee of the House. I think there is a responsibility to do that.

Madam Speaker, beyond that, if it is found by you to be a case, I would naturally be prepared to move the appropriate motion. However, as I said, there may be other ways to resolve this matter.

It is important to deal with it, however, because we in this House know what happens with precedents, even when we transgress a line and it is not that substantial a transgression. The fact is we must deal with this matter because we realize the kind of escalation this could lead to. I ask that you consider this matter and the references to Beauchesne's on this and on the fact that in the past there have been instances of contempt found relating to this sort of thing.

Mr. Ross Harvey (Edmonton East): Madam Speaker, unfortunately, as is often the case in such matters, I fear the dispelling of the charges made will take slightly longer than the making of the charges. I would like to say at the outset, for myself and for all members of my staff to the best of my knowledge, I neither advocate, support, nor condone vandalism, the wilful destruction of property, public or private.

Having said that, I would like to deal with the question of the vandalism committed against the hon. member's office, who did it and how it was arrived at. I had hoped that in his presentation to the House today, the member would offer research evidence on the matter somewhat greater than simply reading an article from the June 7, issue of *The Edmonton Journal*. Unfortunately, no such evidence was forthcoming. Let me put him straight on a couple of counts.

The first deals with the meeting identified in the article. I shall read the sentence. I quote: "Curran", that is my constituency assistant, "who is a member of the network", which is to say the Action Canada Network, which does not, properly speaking, have members, but we will let that pass, "said she attended the meeting which planned the poster campaign as a private citizen".

In speaking to my constituency assistant, I found out that the meeting referred to and, in fact originally raised by the reporter and not by her, was the annual general meeting of the Action Canada Network in Alberta held several weekends ago over the course of a Friday, Saturday and Sunday. I attended the same meeting. All kinds of things were discussed at that meeting and absolutely no particular actions were decided upon at that time.

As well, I have through conversations with others determined that members of the interim steering committee of the Action Canada Network, of which Ms. Curran is not a member, were the ones who decided that the printing and circulation of a poster to Action Canada Network sympathizers would be undertaken. What those sympathizers then did with that poster was left up to them. Again, Ms. Curran had absolutely nothing to do with that.

Finally, I would note that Ms. Curran is not alleged by anyone to have actually taken part in the postering that has so distressed the hon. member. That is good, because I can assure that she did not.

For the hon. member to say, and I quote exactly his submission in this House, that Ms. Curran was involved in the planning of this is utterly incorrect.

Mr. Dorin: She said it herself.

Mr. Harvey (Edmonton East): No, I am sorry. What she said was, and it is not a quote, it is a paraphrase. Ms. Curran "said she attended the meeting which planned the poster campaign as a private citizen". What was meant by what my assistant said to the reporter at the time was that she was present at the Action Canada Network annual general meeting in which all sorts of things were discussed. And had the hon. member taken the time to talk to either the reporter or the constituency association or, I would hazard, anyone involved with the Action Canada Network at the leadership level, he would have been able to discover that for himself. However, failing that, we are burning the time of the House in this pursuit.

In any event, I would conclude by noting that there is no hint anywhere here that can be sustained that my constituency assistant was in any way involved in any improper activity and I greatly resent the implication that she was.

Madam Deputy Speaker: The hon. member for Edmonton Northwest brought to the attention of the Chair the fact that there was some vandalism recently at his constituency office in Edmonton. In his presentation he said that there seemed to have been a possibility that someone who works in the constituency office of the hon. member for Edmonton East may have been involved.

I did allow the hon. member to answer. Of course it was his right.

The hon. member for Edmonton Northwest may have a grievance. But the notion of privilege extends to his role in the House or in committees. I can understand the way he must have felt arriving at his office and finding vandalism. He certainly has a grievance. He may even want to seek redress through the courts, but I cannot see how his privilege has been affected either in the House or in committees or how this could be in contempt of the House.

• (1520)

Mr. Dorin: Madam Speaker, I rise on a point of order. I do not want in any way to disagree with the opinion of the Chair, but I would like to file, in this particular case with the Table, a research report done for me by the Library of Parliamentary as background on this matter. It is for the information of the Table and the Speaker.

Mr. Harvey (Edmonton East): Madam Speaker, on the same point of order. To start with, is there any rule under which the hon. member can table something like this with the Table? Assuming that he can, I had asked that he supply me with a copy and he agreed to. So that is fine.

Madam Deputy Speaker: I think the hon. member has offered to table it, but it would not be an official tabling.

GOVERNMENT ORDERS

[*English*]

SUPPLY

MAIN ESTIMATES, 1991–92—CONCURRENCE IN VOTE 1, DEPARTMENT OF FINANCE

Hon. Pauline Browes (for the President of the Treasury Board) moved:

That Vote 1, in the amount of $56,606,000, under FINANCE—Financial and Economics Policy Program—Program Expenditures in the Main Estimates for the fiscal year ending March 31, 1992 (less the amount voted in interim supply) be concurred in.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I welcome the opportunity to speak today on Motion No. 2 in today's order of proceedings before the House.

The motion suggests that the government should abandon its financial and economic policies. On the contrary, it is vital that we continue to implement these policies for the very good reason that our financial and economic program is working directly at getting Canada out of the current recession and back to growth and job creation.

The government's plan for economic recovery, introduced in the February budget, emphasizes controlling expenditures and reducing inflation. This is the key to the lower interest rates that will boost consumer spending and business investment to fuel growth and new jobs.

This approach has its critics and of course that is no surprise. After all, for nearly 20 years through the early 1980s, Canadians were accustomed to a federal government with fiscal philosophies that could be summed up in two words: charge it. In fact, in 1984 the government was handing out $1.33 in programs and services for every dollar it collected in taxes. That philosophy has had harsh consequences.

We are now paying the price over and over again for too many years of consuming more government services than we are willing to pay for. This is the reason our national debt will reach $400 billion by mid-year; about $15,000 for every man, woman and child in Canada. That does not include another $100 billion in debt by other levels of government.

The interest costs alone on the federal debt lead up over $43 billion next year. That is equal to 36 cents of every tax dollar Canadians pay. It is more than the government spends on Old Age Security, unemployment insurance, veterans' pensions and family allowances combined. That is why the federal budget refuses to buy short-term recovery at the cost of a return to surging deficits and runaway debt. The lessons of the last 20 years make that point bluntly. This spendthrift approach only creates a vicious circle of higher inflation and interest rates, leading us back to the inevitability of economic decline, lost jobs and lower government revenues.

We have instead taken a different path based on a continuing commitment to deficit and debt control. The February budget severely restrains the cost of government, including wages and salaries for the Prime Minister, the cabinet, for members of Parliament and for the federal Public Service. It extends the two-year expenditure control program introduced in 1990, including limits on the growth of transfers to provinces, so that it will now continue through 1994-95 and the saving achieved will total more than $15 billion.

What makes this a watershed budget is that it also takes dramatic measures to achieve nothing less than a fundamental change in the political culture of government spending. These interlocking measures will transform good financial management by government from the realm of promise and political will into a matter of law. By so doing, they can play an important role in changing the expectations of Canadians regarding government spending, municipal and provincial as well as federal.

As part of this fundamental change, we will introduce legislation to impose mandatory limits on the annual program spending for the next five years. Flexibility will be confined to a very limited set of contingencies. It will not preclude new programs to meet new needs, but these must be funded from within the total legislated spending ceiling. In short, it will soon be against the law for the federal government to overspend.

The second leg of our commitment to guarantee spending control lies in the proposed debt servicing reduction fund introduced in the House yesterday. This fund ensures that all revenues from GST will be used to service debt and reduce the debt, and not to fund new program spending.

The third thrust of our strategy was to announce specific inflation targets to bring inflation down to 2 per cent by the end of 1995.

By working to meet these targets, we can establish the conditions that will make possible a sustained and lasting decline in interest rates. This will help control the interest charges on the national debt.

This interlocking strategy will deliver concrete and decisive results. The deficits for 1990-91 and the coming year will be held to $30.5 billion despite the difficulties caused by the recession. That is down from the $35 billion we were looking at when we started the budget planning process.

Then, for 1992-93, with economic recovery, lower interest rates and restrained government spending, the deficit will fall sharply to $24 billion. Three years after that, by 1995-96, it will have dropped to just $6.5 billion, the lowest deficit in nearly 20 years.

As well, the need for new government borrowing on financial markets will be eliminated even sooner, by 1994-95. This will meet the goal we first set out in the 1989 budget and will represent for the first time in 25 years that no such borrowing is needed.

Last, we will no longer be borrowing money to pay the interest on the money that we have already borrowed.

Underlying these results will be the truly revolutionary change in the politics of budget making that the plan launches. I want to be clear about what it means. It means any federal government that wants to exceed the specific limits or to use the GST revenues for a purpose other than debt reduction, will have to go to Parliament to change the law.

• (1530)

It will have to explain to the taxpayers of Canada why it plans to spend more of their money, and the government will have to justify publicly the consequences that this will have for the deficit and the debt, for taxes and for its own credibility.

I have said that these spending controls make this a watershed budget. At the same time, they build on the commitment of good financial management that has been the basis of this government's program since 1984.

Some people do not share that view. It is easy to use hindsight to say we should have taken even tougher steps than we did, but it is important to recognize how far we have come, the real progress made in dealing with financial problems the government inherited nearly seven years ago.

The fact is that the federal government's spending programs and service have been under tight control since 1984–85. This has required tough and often unpopular measures.

Payments to VIA Rail and CBC have been scaled back. We have eliminated programs on home insulation and oil substitution. Military bases have been closed. The structure of the Old Age Security and family allowance programs were changed to recover these transfers from high income Canadians who did not need them. We reduced the size of the Public Service substantially to the level of the early 1970s.

Thanks to these measures, we were able to hold increases in spending to an annual rate of just 3.7 per cent. That is well below the rate of inflation and the growth in our economy, and is well behind the growth in the over–all provincial spending.

By contrast, in the 15 years prior to 1984–85, the federal government program spending increased on an average yearly rate of 13.8 per cent. We have achieved a really remarkable change.

The results of our spending restraint have been substantial. As a share of Canada's economy, spending on programs has fallen from 19.6 per cent in 1984–85 to 16 per cent this year, the lowest level since the 1960s.

Without this restraint, federal program spending this year would have been $30 billion higher and our deficit would have more than doubled from what it is to nearly $70 billion.

This spending restraint has also substantially slowed the growth of the national debt. In 1984–85, the debt was growing at an annual rate of about 25 per cent. Today this is down to less than 10 per cent, but this is still not acceptable. With our budget measures, we will eliminate completely the need to borrow money within four years.

When they hear these figures, many Canadians then ask: "Why is the deficit so high and the debt still growing?" The answer lies directly in the impact of compound interest on the $206 billion debt we inherited. The fact is that the interest payments on the 1984 debt are the only reason for our deficit position today and the direct cause for the debt having nearly doubled.

The next question people often raise is: "Why are you not making absolute cuts in total program spending rather than just restraining its growth in order to bring the deficit down even faster?" The answer lies in what the spending involves and the important public needs it serves.

More than half of all the program spending consists of major transfers to persons and to other levels of government. The transfer to individuals includes monthly Old Age Security benefits, family allowances, veterans' pensions and unemployment insurance.

Since half of these transfers are directly to the elderly, it is a combination of an aging population and full indexation of benefits to inflation that have made this the fastest growing area of government spending.

The other largest target area of program spending is, of course, provincial transfers. This is designed to support health care, education, welfare and other services of direct benefit to Canadians. Growth in this area over the past six years has averaged 6 per cent, just behind the growth in the transfer to individuals.

The rest of the program spending covers every other aspect of government activity including national defence, the internal operation of the government, foreign aid and programs for science and regional assistance. In many of these areas we have imposed dramatic disciplines. For example, transfers to business which cover regional development and science and technology spending has been cut from $4.7 billion in 1984–1985 to just $3.6 billion this year. Over the same period, spending on the operations of government has grown an average of only 1.2 per cent a year. Taking inflation into account, this means that the real cost of government today is actually 25 per cent less than six years ago.

These figures should drive home just how little room is available to make further cuts. An absolute reduction in total program spending simply could not be sustained without a serious impact on programs to help Canadians in need and on other essential services.

This does not mean that the deficit battle cannot be won. Rigorous spending restraint combined with the impact of lower interest rates and the higher revenues made possible by economic recovery will do the job. It is to make sure the job is done that we are instituting the legislated spending limits proposed in this budget.

Again I want to emphasize that there is no misplaced optimism or mathematical mumbo-jumbo at work when I say that the deficit will come down to $24 billion by 1992-1993. We will no longer be faced with the transitional costs of the GST, representing a $2 billion saving. The gulf war spending is behind us. The expenditure control plan will deliver savings of another $2.3 billion. Lower interest rates will ease the burden of servicing the debt, and economic recovery will reduce unemployment insurance costs and strengthen government revenues.

In turn, this sharp drop in the deficit combined with national recovery will see the debt begin to shrink as a portion of our economy. This threshold step will mean that government revenues, combined with the continuing benefits of lower interest rates and government spending caps, will be sufficient to eliminate the need for new borrowing in 1994-1995 as the budget states.

The legislated spending limits and the inflation targets we have set out should encourage all Canadians to recognize that we can no longer afford to buy government services on credit. They are also powerful tools that the budget provides Canadians to continue challenging their politicians about spending.

Our program of financial and economic policies is already proving its worth. While there is still real weakness in our economy, we continue to be confident that growth will resume in the second half of this year and rebound strongly in 1992.

This is not just a government perspective. The *World Economic Outlook* published by the International Monetary Fund this spring shares that view, projecting 1992 growth for the Canadian economy of 3.5 per cent, a growth rate that, according to the IMF forecast, would lead all G-7 nations except Japan.

Looking further ahead, the continued easing in inflationary pressures expected over the near term will set the stage for strong growth over the medium term. We expect the real GNP growth to average at a rate of 4 per cent over the 1993-1996 period.

As I said, there is real evidence that we are indeed on track for that return to growth in the next six months.

Short-term interest rates have fallen over 5 per cent since their peak in May of last year. The real rate for 90-day commercial paper has declined from 9.6 per cent a year ago to 3.2 per cent this April. The Canada-U.S. interest rate differential has narrowed from the peak of over 500 basis points to under 300 basis points.

Reduced interest rates have helped generate a welcome upturn in the Canadian housing industry, a leading indicator of recovery. In April, housing starts were up more than 30 per cent over March. They increased another 16.4 per cent in May to an annual rate of 149,000 units. In fact, the total number of housing starts this April and May were 42,500 units higher, a more than 44 per cent increase over the same period last year. Employment has continued to increase for three consecutive months to 34,000 jobs in May, virtually all of them full time. And, while the unemployment rate edged up slightly last month after falling to 10.2 per cent in April from 10.5 per cent in March, it was the result of an increase in the labour force itself and not because of job losses.

• (1540)

There are other positive sides. The manufacturers' shipments of automotive products, another important indicator, increased sharply in March. The Conference Board of Canada index *Business Confidences* increased 29 per cent in the first quarter, with more executives expecting economic improvement than at any time since 1984.

The negotiated wage settlements, an important source of the inflationary pressure that pushes up interest rates, increased only by 3.4 per cent in April, down substantially from 6.2 per cent average increase in the settlement during the first quarter.

Let me say that we are not out of the woods yet. We could still lose the path to recovery if we abandon our commitment to restrain spending and bring inflation down. We must not let that happen. This government will not let that happen, because it would mean abandoning our commitment to the economic future of all our citizens, including those still facing hardships.

There is ample evidence to suggest that our financial and economic policies are working to put Canada back on the path to sustained growth and productive economic activity in the years ahead. I would ask the hon. members to bear this evidence in mind when the motion is put before this House.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I wonder if the hon. parliamentary secretary could comment on the subject of government finances and cutbacks that members of Parliament are being lobbied about at this very moment by the Canadian Nurses Association. The report by the Canadian Council of Welfare just a few days ago predicts that very shortly transfers to the provinces for health care will be reduced to zero at various times for each province. Specifically this is a great concern that we have with many people, including our nurses who have been leading the charge in the last couple of days here in Ottawa.

I would like the hon. gentleman to comment on that concern about medicare. With his many years here in this Chamber, I wonder if he could comment on the question generally and on what the government's position is.

Mr. Kempling: Madam Speaker, generally speaking our major concern—and while I know there are specific instances of nurses and other groups who may feel that they are being disadvantaged by not having a rise in their wages— is the long-term effect that continued growth in the public debt and continued growth in the deficit is going to have on this country in the long term.

We are moving into a new world, a global economy, and we are seeing massive changes in manufacturing styles in the world. We are seeing new productive facilities coming into place that require massive capital expenditures by people in business, and we are seeing an ever increasing debt load of services that the general public is demanding.

We have to try and find a balance between these things, and we are doing that to the very best of our ability. It may mean that there are some people who may feel that they are disadvantaged by the course that we are taking. But our objective is to get more people working, to see that our industries are re-equipped in the proper way so they can compete in the global market, to see that we can knock down the barriers between our provinces and get trade moving fluidly across the country. That is what our objective is. We are not taking a swing at public servants or nurses or anybody in particular. We think the matter is so serious that it has to be shared around the country. I know that when you ask someone who feels they are on the edge, that they have nothing to share, then we feel for them and we do what we can through whatever programs we have available to assist them.

On the other side, if you look at the revenue we have had coming into the government over the years and the fact that for a number of years we have had to go offshore and borrow $30 billion, it is almost a locked-in position.

You bring out a budget and what happens? Your revenue is $30 billion under what you take in, so you just continue to allow that to grow until you have a massive public debt on which compound interest works miracles and makes it double and quadruple in a short period of time. The first thing you know, it affects your ability to operate outside the country. It affects the rate of inflation and the interest rates in the country. It has just gone far enough and we have to do something about it. That is why we have put these various programs in place to try and rectify what has happened in the past.

I do not want to comment on why it happened, how it happened, or the political climate of the time or the social climate of the time. I lived through it and the hon. member lived through it, so we both know it very well. I think we are doing the right thing. I guess time will tell.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, first of all, before I go into another matter, in the member's last response, he referred to borrowing money offshore. The implication I got from that response was that we were borrowing approximately $30 billion offshore each year. That concerns me somewhat. I wanted to give the member an opportunity to correct that, if in fact, that was not what he said. I think he probably would want to correct that. My understanding is that somewhere between 18 and 25 per cent of the deficit is borrowed offshore now, as opposed to the rest being borrowed domestically.

I throw that over to the member for his opportunity to clarify for me what he meant by that.

Second, he has talked in his speech today about getting the deficit down to a more manageable position. I specifically wanted to have him talk for a minute to this House and to the people of Canada about the legislation that has been proposed both in the throne speech and the budget, the debt servicing and reduction fund. There have been various interpretations of this.

Mr. Belsher: It is on the right track, is it not?

Mr. Whittaker: The member for Fraser Valley East said they are on the right track. I think if they did get the deficit under control, they would be on the right track. What I want from the member for Burlington is some indication that this is not simply a shell game. It seems to me that in the budget they have talked about various moneys going in to be used to service the national debt.

Quite frankly, right now we are servicing the national debt. That is the interest charges we pay; 35 cents on each dollar we take in is paid in servicing our national debt. Is this debt servicing and reduction fund simply a public relations thing to show the people that money is going somewhere where it is already being paid?

I am a little confused and I think the people I have talked to around Canada are a little confused. Is the government trying to pull the wool over the peoples' eyes? I would like the member to respond to this.

• (1550)

Mr. Kempling: When I made reference to borrowing $30 billion offshore, I was speaking in very broad terms. I know that the percentage we borrow offshore will vary from year to year according to domestic conditions and markets offshore.

What we have done in the last few years is to move from medium term notes and bonds to rather short-term money. We have been able to ratchet that down and we are not borrowing that total $30 billion offshore. In fact, since I have been in this House, I can remember a time when the Government of Canada encouraged provinces to borrow offshore because that would put pressure on the Canadian dollar and drive its value up. That is gone now, and we are not interested in pursuing that avenue any more.

As far as the other part of his comment goes, the debt servicing and reduction fund is not a shell game. We are in better shape than some of the provinces are, because a lot of them have issued bonds of a fairly long-term nature. They have to let those bonds mature before they can pay them off, or pay a penalty for paying them off early. Most of our dead instruments are relatively short term, many of them less than a year, many of them less than two years. As the money comes into the debt servicing and reduction fund we will be able to pay those obligations off, and therefore will not require the amount of servicing as far as the deficit is concerned. Of course, this will reduce the national debt at the same time.

You can stand in your place and say: "Well, we are going to bring the deficit down". This is my 19th year here and I have heard it so often that it is almost tattooed on my forehead. But to do something to convince people that we are going to bring it down, I think is worth while. That was the purpose, to say: "We are going to devote the revenue from the GST into the debt service and reduction fund".

I had many people say to me: "I do not mind it. If you are going to do that with the GST, I do not mind it at all. And the same with the sale of Crown corporations. Well, what do you do with that money? If you are going to dedicate that money to debt service and reduction, that is fine, that is okay with me". And so that is what we have done.

All I can say to the hon. member is that it is not a shell game. I would just suggest that he watch it closely, keep his eye on it, and I am sure he will because I know him to be a member of honesty and integrity. We will see how it goes a year from today.

Mrs. Diane Marleau (Sudbury): Madam Speaker, I am speaking to the estimates of the Conservative government. One of the reasons I wish to address this question is due to the myth this government has tried to create.

This government first came to power in 1984 on a program of fiscal management. It told the people of Canada it could manage the monetary aspects of our economy far better than the people before had done.

I must say that in 1984 I was quite naive and I thought perhaps the Conservatives might accomplish that. I must say I have been extremely disappointed, as have the rest of the people of Canada, because they continue to do and say one thing and do whatever they feel like doing behind closed doors.

One of the first things they do is they come up with stacks of estimates. These estimates are a bunch of figures and they look not bad. But the first thing you have to realize is that these are not necessarily just the moneys they are going to spend. These figures are often misleading, because it takes nothing at all for this government to bring in Supplementary Estimates. All of a sudden it is a whole new ball game, and the government has not really explained to the people of Canada what it has done.

The other thing that I wish to address is this: I first came to office in 1988 and in early 1989, I was assigned to the public accounts committee. I was very interested in hearing many of the Auditor General's reports and they are all public. Since then I have taken on the task of going over many of the Auditor General's reports.

One of the things discovered is that if one takes the Auditor General's reports from 1985 through 1989, one finds a long chronicle of moneys mismanaged, expenditures inadequately disclosed or not disclosed at all and cost overruns. All of the items are on public record and many of them have been the subject of news coverage in the past. The cumulative effect of all these items is mind-boggling.

If one goes through and quietly adds some of these numbers up, one realizes that had these problems been addressed right from beginning, one would have saved billions of dollars. It is no laughing matter. It is certainly something that they could have done had they wanted to when they first formed the government.

The other thing that has happened is that they have used creative bookkeeping. I like to use that term because it is something that accountants can relate to. When one does not want to really disclose something one changes the format by which one presents it. That makes it very difficult for people to compare year to year.

I decided to try and review the budgets of the government from 1985 to 1989. I picked those years because the Auditor General's reports were present for those years. I wanted to review them sequentially from 1985 to 1989 and to find out the yearly increases beyond the level of inflation in each year. Then, I wanted to break these down into spending areas: defence, health, welfare. I subtracted amounts that related to transfer payments because obviously the government has very little control over funding in this area unless it just decreases it. It cannot control its spending as much as it would like to I am sure.

One of the things that surprised me was that one could not do this. One could not compare year to year. Do you know why? Prior to 1987–88, government budgets were prepared according to program envelopes, nothing wrong with that, namely: economic and regional development, social development, services to government, Parliament, defence, external affairs and fiscal arrangements. This permitted expenditures within each area to be tracked from year to year.

In 1987–88, however, a brilliant move: the federal government introduced a different format, supposedly for better bookkeeping, I would think. Who knows? One never knows for sure.

Only defence spending remained in the program envelope. Other more generalized categories such as major transfers to persons and transfers to other governments replaced program envelopes, whereas earlier fiscal plans contained additional tables relating specifically to program expenditures by category. These too were removed.

In 1989–90 the budget format was again altered, this time to include three new categories: subsidies, Crown corporations and other operations. These three categories had not previously existed and accounted for approximately $32 billion in government spending.

Do you understand what I am getting at? It is very easy to generally say: "See what great guys we are", because there is a lot of room for hiding and manoeuvring and all the rest of it.

The result of these format changes, of course, is that while cumulative program expenditures can be compared from year to year, it is no longer possible to determine the increases within any given area of spending. Strange, isn't it?

It is worth while noting that program expenditures which amounted to about $87 billion in 1984–85, the year the Conservative government came to power, have increased to an annual amount of $103.5 billion. Just interesting. We are not talking about interest charges here; we are talking about program expenditures. There is a little bit of difference. Why the huge increase? It may be justified and it may not be, but at least, when you look at the auditor's report, $500 million annually could have been saved within these program expenditures if moneys had been managed with regard to economy and efficiency.

• (1600)

Many times when one looks at the Auditor General's reports one realizes that program objectives are not met, maybe due to political interference. The Auditor General infers that but does not necessarily say it. It is quite obvious when one considers the building of a correctional centre in an inappropriate area and it just happens to be the region of the party leader's riding.

I have got details of it here. This was reported for the year 1986, as having happened in 1986, which is before my time. I am just repeating what the Auditor General said in those years. It states:

> Political objectives outweighed program objectives. Correctional Services was required to build for no program reasons and was required to build institutions at certain economically depressed areas to increase employment.

This may be a good idea, but it certainly is not good fiscal management.

This meant that Correctional Service Canada had to build at higher security levels than needed, such as protective custody, when it already had surplus capacity. That was in 1986.

Ten billion dollars was lost due to a late decision to cancel the special handling unit at the Atlantic institution, creating a contingent liability of $1 million to the contractor. One goes on and on.

One hears about additional costs of $4.6 million due to major design changes. That is not a small amount of money, think about it, $4.6 million. A drop in the bucket. We talk about deficits and how well we manage things. We have another one here that says $1.7 million went for brick cladding for concrete walls. Additional.

What I saw when I was looking at all this is that it is almost a given that when a government contract goes out, whoever gets the contract gets cost plus. One wonders. One gives out a contract and then one comes back and adds in one's extras. There are examples of that everywhere. One does not have to go very far. Every year it seems to happen.

Now what kind of controls it has over its tendering process, I do not know, but there are very good examples of it. One can go through the Auditor General's report and it is very obvious.

One of the ones that just happened, I think it was reported in 1990, was the amount of money paid by DRIE in February 1987 to a company in Alberta for the development of a turbo–charger, despite the concerns of the NRC. In January 1989, the new Department of Western Economic Diversification took over this program and made a second payment despite information not being provided in accordance with the agreement. To add insult to all of this, in March 1989, it learned that the prototype that it had been funding had been destroyed in 1987, but the final payment was made anyway. After all, it was a buddy. Who knows? What is the justification?

These are examples that are taken directly from the Auditor General's report. Each and every one of you can get the reports out yourself. Some $148,500 was approved to construct a golf course, including the retroactive reimbursement of cost despite program criteria requiring that no significant contractual commitment be made prior to a request for funds. When they went out and asked for the money the project was almost finished. Kind of a neat deal, eh? I would like to do that. I will go out and build myself a house and then I will go and ask people for money and they will give it to me. I think a lot of people in Canada would like that.

An hon. member: Sure.

Mrs. Marleau: Those are the kinds of things that have been going on, despite all the claims of great management and great fiscal responsibility.

The first myth that this government brought forward was that the Liberals were such terrible spenders. They were such terrible spenders that they took over this terrible debt. One of the things they failed to mention was that for 1984–1985, Marc Lalonde, who was then finance minister, had projected a deficit of $29–some billion, which was very high. It was the end of a terrible recession.

What they failed to tell people was that they allowed this deficit to rise to $38 billion because it gave them a cushion, a real neat cushion. At the end of 1984–1985, rather than having a deficit of $29 billion, it was $38 billion. Let me point out that the recession was well on its way to being over. Things were coming back, things were looking very good.

Let us just set things straight here. We went from a projected deficit of $29 billion to a deficit of $38 billion, and they say: "Well, it was the Liberals that did it", except they formed the government in September 1984. The fiscal year goes for longer than that, much longer than that. They had a party and they paid off whoever they had to pay off and built whatever they had to. And I love it when I get them responding because it always tells me—

Mrs. Maheu: It means it hits home.

Mrs. Marleau: —that it is hitting home. This is one of the truths that has not been said.

Then this government continued to spend, continued during the best years that we have had since the Second World War, having high deficits despite increasing taxes more than 31 times, till it brings us to today. We now have these extremely high taxes, where we are asking Canadians or telling the Public Service: "Tighten your belts, you cannot have an increase, you cannot do this".

Does this government do it? Does this government lead by example? Absolutely not. Just think of it for a minute. This is a country with a population of 26 million people. We have how many ministers? Is it 40? Correct me if I am wrong. There are so many of them, it is difficult. They add them and subtract them, and there is always a new one somewhere. There are 40-some ministers. In the United States, with a population how many times larger—

Mrs. Maheu: Some 150 million.

Mrs. Marleau: It is larger than 150 million. How many ministers do they have to run that country? Under 20. So I wonder, if the Americans can do it with under 20, why cannot we? The Conservatives like to do everything that the Americans do. As a matter of fact, if they are in power much longer, that is where we will be. We will be with the Americans, we will belong to them.

In this case, maybe they should be following a little bit in their mode. If I can tell the people of Canada what happens in ministries, each minister has to build himself a little power base. If you have a very small staff, then you have no clout. You have to build this power base and have all these big offices, and you have to have all of this staff. You have to justify your existence. Therefore, your budgets have to be larger. And the fight goes on. Then this minister writes to that minister, and that minister answers back, and then there is a lot of justification for jobs.

If you want to create employment at that level, that is fine, but you should not run on the fact that you are fiscally prudent because that is not a fiscally prudent method of behaving. I am very interested in seeing this government finally come out and do something and really show the people of Canada that they can be fiscally responsible, not just tell others to be fiscally responsible. That, to my way of thinking, would be the way to go. We create ministries so we can supposedly help areas of the country. We call it regional development and sometimes the grants are good. Often they are not worth much of anything.

• (1610)

In terms of some of the things I have uncovered under the Auditor General's report, bridges that lead to nowhere. We have all heard of that. Highways that are built for reasons that do not follow the criteria of the program. There was a host of them in 1989 that were reported under energy, mines and resources that were under the Canada–Nova Scotia Development Fund.

Many questions were asked in the House of Commons at that period of time. Of course there was a non-answer.

When we say that the people of Canada have absolutely no faith in this government, we know why. It tells you one thing and does exactly the opposite. It tells you that the GST will be revenue neutral. Obviously it is not.

Their own member who is the chairman of the finance committee said over and over again that it was going to be a cash cow. Everywhere else that the program was brought in, large amounts of money were brought in that were supposedly unforeseen.

I am waiting to see what the government is going to do because now it has seen the light. It now has a deficit reduction account. I just love it. I think that is a great idea. When I go home, I am going to open myself another account and I am going to start putting money in that account.

The only problem is that if I do not have more money coming in, how am I going to cover the other account? It is going to get larger. You only have so many pockets and you only have so much money. You can play around all you want. The fact of the matter is that we still have a problem.

You have to be more responsible. That is what we are saying. Whether you like it or not, you have not been responsible I ask that you go back to your ministers and tell them to get together, streamline.

I am supposed to be speaking to Madam Speaker. I am sorry, I had forgotten in the moment I have. My colleagues on the other side are so happy with my speech that I understand they are going to go right back to their ministries and ask them to streamline things, to quit pretending, and to start being honest.

Maybe the people of Canada will like this a bit better. It cannot get much worse.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Madam Speaker, I have listened attentively to the hon. member for Sudbury. She has asked us to go back and streamline ministries.

Streamlining ministries in order to save money means you have to cut out public servants. Is that what the hon. member is asking us to do? Is she asking us to cut down the size of the Public Service? I suspect that this is what she is inferring today.

I think she inadvertently is making that as a suggestion. I am not sure that she predicts that.

She talks about the projections when we came to power of what the former finance minister in his budget address in the spring of 1984 had made in this House of Commons. She failed to realize the economic paper that was put out by the finance minister under the capable leadership of the hon. member for Etobicoke Centre in November of that year, how we set in train and how we were going to try to get our arms around money that was being spent.

In today's edition of *The Citizen*, if she were to read it, it says that the Tories have literally reversed the country's fiscal picture by adding $30 billion annually to the credit side of the country's ledger.

In other words, there was more money going out to pay for the programs and transfer of payments to individuals than what was coming in to the tune of $16 billion. Add that to the interest charges of the $200 billion debt that was there and you have quite a difference.

That has been reversed. That has taken a lot of hard work and is taking place. If per chance there is more money that comes in through the GST than we had planned on, we are going to put that money against the deficit reduction so that it does not go into paying for more programs.

The Canadian people have been asking for this and I suspect if the hon. member were to be honest with us today, she would have to admit that her constituents are telling her that about the GST. My constituents are saying that and I suspect that her constituents are not that different. She said she has made a study of the various Auditor General's reports. I would ask her, did she not realize that the Auditor General, about three years ago said: "At long last, I can now say that the money is being spent where it was allocated to be spent". That was the first time in his tenure, and he had a contract for six years; I think it was in the fifth or sixth year of his contract—that he was able to make that statement.

Does the hon. member not admit that is a very positive remark from the Auditor General and goes a long way to signifying that at long last the government now knows where its money is being spent? True, too much is being spent. I agree with her. The hon. member will have to admit that there were already pieces of legislation that had been enacted and so we had to turn around and change the structure. That is precisely what the GST was, a structural change. That is difficult. Structural change is difficult.

I might add that the hon. member's party did not try to help us. They had a lot of criticism, but never any constructive suggestions as to how we might improve it. It was just a case of: "Do not do it. Leave things the way they are". However, things were not working.

I have to end my remarks at this point. Does she not admit that what she reads in today's *The Ottawa Citizen* and on page 28 of our *Quorum* really is quite factual? I would encourage her to possibly consider mailing it out to her constituents asking for their comments.

Mrs. Marleau: Madam Speaker, I am going to start with the first item he addressed himself to: Did I want to lay off all of the public servants who work for all these ministers?

What I say is that it is not the public servants who are at fault in this whole thing; it is the ministers. When you have a minister of native affairs and a minister of state for native affairs who do absolutely nothing or next to nothing, I cannot figure why there has to be two of them with their chauffeurs, their cars and their big offices. That would send a big message; I like the idea of cutting back.

On the contrary, this government has tried to blame the public servants. I think it is an absolute shame they are projecting to freeze salaries of public servants, especially the very low-paid public servants.

Do you know that a large number of public servants in this country earn below the poverty line, and you are freezing their wages? Yet you come to us and tell us what a great job you are doing. If you really want to freeze wages, then do it for everyone. Do not single out one group of people who have worked very hard for you. That is another problem you are creating by being that difficult to deal with, your people cannot work properly for you.

If you are always giving your public servants a hard time, how do you think they are going to feel? Do you think they will go to work every day and be happy and super-productive? I tell you, absolutely not.

On the question of taxes and the great fiscal management, I am going to tell you what is happening in my riding and it is happening all over Ontario.

In the early years of the recession, especially in the riding of Sudbury, we were very hard hit. As a group of people, we worked together to build on our strength, our resource sector. We had an entrepreneur who did a very good job. His name is Ken Burgess. He started a business and he went into manufacturing. It was a spectacular success. He expanded and he opened six plants across Ontario.

I am going to tell you the announcement he made on Tuesday of this week. He is closing all of his manufacturing plants. He says increases in taxes, and the higher Canadian dollar are hitting that group of eight companies hard and they have decided to just plain close up shop.

One of his businesses was in Cambridge. I quote from an article in *The Sudbury Star*, quoting Mr. Burgess:

> Every third building in Cambridge is empty right now. Hundreds of companies a week are moving out of the Toronto area and to the United States—I think the manufacturing days in this country are numbered unless our governments wake up.

Tell me, is that not an example of the kinds of things that are being said everywhere? I hear it in the House every day. I do not know what you are hearing but I heard of this man who was successful in very difficult times and now suddenly in 1991 he is closing all his manufacturing plants because he cannot compete.

• (1620)

When is this government going to face what they have done to the people of Canada with these taxes? It is an absolute shame that our own people cannot compete because the environment has not been created for competition. The day they start recognizing this and doing something about it we will all be a lot better off. It is not just a question of saying one thing and doing another. It is a question of all of us working together. None of us is perfect, least of all the people across the way.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Madam Speaker, the hon. member implied in her comments that we had somehow or other added another $9 billion to the deficit when we came into power. I want to tell her how that $9 billion came about and she can go back to the auditor general and get his explanation.

We came into power with a budget that was already in place, a $29.5 billion deficit—

Mrs. Marleau: I don't believe that for a minute. You would say the same thing about the NDP.

Mr. Kempling: The Auditor General came to us and said there are $9 billion of expenditures that have been included as capital expenditures and are no longer capital expenditures. They are straight-line expenses. Therefore you are going to have to increase the deficit by $9 billion. That is how it came about. It was nothing that we did. It was money spent by Marc Lalonde and his people. That is the first thing.

Go back to the Auditor General, check it out, and he will tell you the truth.

The member talks about reducing the number of ministers. When I came here years ago we did not have a Minister of State for Small Business. Through pressure from a variety of people we suddenly had a Minister of State for Small Businesses. He used to send questions and notes across the floor to us: "Please ask me a question. I haven't anything to do". In 1979 when we went into his office to see what we would do with his operation we found there was a Minister of State for Small Businesses, a secretary, a speech writer, a driver, and one researcher. That was the total ministry. He had no line responsibilities. He was not responsible for any legislation. He came in the House of Commons, sat in his seat and sent notes to the opposition which said: "Please ask me a question. I am lonely".

That is what your government did.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, I leap humbly into the breach. I have heard some interesting things about debts and deficits today so I think I would like to start speaking today about the deficit and deficit reduction.

What I have seen since being here, and particularly since 1984, of course started long before that. I agree, with the member for Fraser Valley East that it started before that. It seems to me that what has happened over the course of time is that both of these parties, the Conservatives and the Liberals, can take a lesson from the squirrels. During the summertime when food is bountiful and the nuts are plentiful they go out and gather nuts and they save for a winter day so that they have something to eat.

It seems to me that both the Liberals and the Conservatives have forgotten that winter is just around the corner. In the good times, since 1984, the economy has been fairly buoyant and the present Conservative government has forgotten the winter—we are now in the dead of winter—and there are no nuts. They haven't collected them, they haven't saved them; they have been eating everything in sight. This party hasn't paid any attention at all to what is going to happen later. They have not paid attention to history and learned that at the end of every upswing comes a downswing. They have continued in this way each year that I have been here. I have looked at the budgets and have seen that they are going to reduce the deficit. At the end of the year when we got the figures in, I found that no, the deficit has not been reduced. In fact, because of this or that or the other thing, whether it be the Persian Gulf war, the interest rates, or whatever, we haven't been able to reduce the deficit.

If I recall correctly, two years ago it was going to be $28.5 billion. Last year it was up to almost $31 billion again. Now this year I heard the same figures again—$28 billion—and maybe this time the government will make it. They finally listened to the opposition. They listened to the New Democratic Party and are starting to drop the interest rates.

I remember when the Minister of State for Small Businesses was before the committee on his estimates two years ago. In questioning him he threw a question back to me and asked: What is small business looking for; what do you say they are looking for? At that time I remember I told him that they were looking for lower, stable interest rates. Well, they are starting to get lower interest rates. And if the minister did it, then congratulations to him. But they have finally started listening to us, after two long, hard years. The Minister of State for Small Businesses talked to the Minister of Finance and convinced him that was what small businesses wanted. They needed it, they needed it to survive.

But before the minister gets too blown up with importance, I want to read a little quote to him from a research paper from his favourite institution, the Canadian Federation of Independent Business, prepared for their offices back in January, I believe. It says: "Business conditions have undoubtedly been worsened by government policy, most notably the federal government's monetary and tax policy. The high interest rate strategy has placed a particularly heavy burden on small businesses which do not enjoy the financing flexibility open to large firms. The impact has been particularly severe in construction, manufacturing and the retail trade. In addition, the detrimental effects of the stubbornly high interest rates, coupled with a high Canadian dollar at a time of economic recession, has been exacerbated by the federal government's goods and services tax."

Madam Speaker, we now have lower interest rates and hopefully they will get lower and stabilize for the sake of the small business community. But we still have the goods and services tax. No matter where I have gone in Canada since January, since the implementation of this dastardly tax, I have heard the small business community complaining about the implementation, the administration and the cost to them of the GST. I have spoken to lawyers and small business firms, I have spoken to medium sized firms, the ones with computers, the ones that say "we can do the work, but it costs us heavily in time and money management."

The criminal lawyers tell me that they give a single quote—$1,000, $2,000, $3,000, $2,500, whatever it is—to defend a person on a criminal charge. Well, they either raise their rates by $500 to round it out, and they don't feel that they can do that in today's recessionary times, or they eat the GST. The criminal lawyers I have spoken to in the last couple of months tell me that they are, in fact, eating the GST.

I have spoken to insurance agents in small communities across Canada who tell me that as a result of the exempt provisions in the goods and services tax, they cannot write off their capital investments or they can write them off but then can't take the rebate for the GST, the input tax credit.

• (1630)

This causes an undue burden. What do they do? They have to pass on that cost once again to the consumer or cut back in their meagre profits.

Food retail outlets in my province and in my communities such as Super Values, IGA and Giant Foods all sell a combination of foods, prepared foods and items such as women's hygienic products, tampons and the like. These have GST attached to them. In this particular case, one of the examples I gave is unfair to women. It is as important to women as sustenance and food. This government should consider that in looking at where it is going and what it has done with this tax.

It goes on. It was interesting in going to a couple of places recently and seeing the small family shops shut down, and talking to the people about it. They were saying that they had shut down just after the Christmas trade of 1990 and prior to the GST in 1991 because they were not willing to go through the hassle at that stage in their lives. Some of them were older and had been in business for a number years and did not want to go through the extra burden of trying to look after this tax.

Talk to the farmers who are members of the small business community. I think it was stated well by a potato farmer in Prince Edward Island when he said: "We work from dawn until dusk. We come in, we eat, we go to bed and the cycle starts again. We do not want to have to come in and have to do this extra bookwork after a full, long day's work in the fields to keep up with the GST." That is what has happened under this tax. The government has continually hurt the small business community.

It is interesting to note what has happened as a result of the fiscal and monetary policies of this government. We warned the government some two years ago that if it brought in the GST at that stage, we would be in the depths of a depression. That was two years ago. I am no economist and I knew it and this government continued to ignore it. Now what has happened is that we have the highest rate of bankruptcies, business failures and personal bankruptcies that we have ever seen in Canada. The rate is higher than it was in the depths of the 1981–82 recession.

The last figures I had show bankruptcies for 1990 total 11,642 and they have increased some 32 per cent already this year. They surpassed, for the first time, the 1982 recessionary peak of 10,765 business failures. This is an increase of 34 per cent.

This government is proud of its fiscal and monetary policies. It tells us how great it is doing and yet at the same time we are watching the business community taking a bigger beating than it has ever taken in Canada in modern history in this made–in–Canada recession. It is unbelievable.

The government continues to tell us how great things are going, how good its monetary policies are and how wonderful its fiscal policies are. I have got one word for it, hog–wash, simply hog–wash. We have got major failures.

I will refer again to this document from the Canadian Federation of Independent Business: "There is however a sharp contrast between the position of the banks today compared with the early 1980s."

Does it ring a bell? Who puts $30,000 a year into the coffers of the government? Certainly not the small business community. We see a sharp contrast in the position of the banks today as compared with small business.

I quote further. In referring back to the 1980s, they say:

> At that time the banks were burdened by losses they had incurred from their massive loans to large corporations and Third World countries. Today, the banks are in a much better position, and could well afford to be more patient with firms struggling to survive in an uncertain and difficult business environment.

It appears that the friends of the government, the rich get richer and the poor get poorer. The tax policies of this government have shown that. The figures over the last few years show that the burden has shifted to middle and low income Canadians and away from the top wage earners.

If we couple the banking situation and the GST, we note that in the use of credit cards, VISA, Master Card, American Express, the merchant fee that is paid, whether it be, depending on the card, 2 per cent up to 5 or 6 per cent in some cases, is added at the end of the tally which includes both provincial sales tax and the goods and services tax. So on a large ticket item a merchant can end up paying 2–1/4 or 3 per cent of the 7 per cent that has been paid on the item.

If you look at the figures of what is charged to credit cards throughout the course of a year in Canada and look at what the GST is on those figures and then you multiply it by the percentage that they take up in a merchant fee, we know that the banks now, as a result of the goods and services tax, are getting somewhere in the area of $16 million extra as a result of the merchant fee on top of the goods and services tax. That is using 1989 figures. The figures for today, I would suggest, would be higher, given the fact that there is an increase or has been an increase in the number of credit cards outstanding in Canada and the number of transactions going on those particular credit cards.

It is interesting to see how closely aligned are the government and the big banks. In going further with that and talking about bankruptcies, the government today tabled the new Bankruptcy Act. It is interesting because they have set up another fund, which is a good idea, to ensure that wages of those working for firms, corporations or others which declare bankruptcy or go into receivership get paid something for their wages.

What the government did was interesting. It set up a fund and it is now going to cost the employers 10 cents per week per employee to be paid into this fund. As I understand it, this will also be paid by federal, provincial and municipal governments.

Once again we look at the trickle down effect because the municipal governments cannot deficit finance as can the provinces and the feds. They are going to have to come up with the money out of their budgets. Where do they get the money? They increase the property taxes to the ordinary citizen of their communities and the small business person.

I want to ask why they have not set up a priority system? The Minister at Consumer and Corporate Affairs essentially told us, "Well, it did not seem to be the route to go, that if they set up this, it was a separate system, self-administered." If you look into it deeper, what it comes down to is the banks did not want to give up their priority to a preferred creditor such as a wage holder.

• (1640)

Yet if we look at labour standards legislation in all of the provinces, it ensures that wages are looked after in priority to everything else that they have jurisdiction over.

Of course, the provinces do not have jurisdiction over the federal government and Revenue Canada. It was also interesting that the Minister of Consumer and Corporate Affairs has looked after the revenues of the country. That is admirable, to say that the directors and executive members of a corporation will be jointly and severally responsible for the debts of that corporation.

I could not find anywhere in that legislation anything that gave the small business person the same kick at the cat as the federal government. That is something the government should look at if it really, truly believes in the small business community.

If I look further into the estimates, it reminds me in looking at cutbacks, the centralization of services and what not, that we often have a tendency both in power, I suppose, and with our bureaucrats who assist us in our legislation and in our policies to ignore the small communities and how important various services are.

In Penticton, the largest community in my own riding, there are rumours running rampant that an old age pension, guaranteed income supplement and Canada Pension Plan office will be closed and centralized to Kelowna, up in the next riding up.

You might say well, it is all in the Okanagan Valley. Fair enough. But if you look at it in people terms, it is totally different. In those areas, about 35 per cent of all citizens are over 65 years of age. They often do not care to talk on the telephone. They like to catch a ride with their neighbour or drive themselves and go see someone face to face in a small office. When you are on a limited income, and you have to drive from Osooyos to Kelowna, about 140 or 150 kilometres, it is a great imposition. It is four hours of driving time in order to see the person you want to talk to about a problem with the old age security.

My office is in the same building as that particular office, and I see the number of people who go in. I have a number of those people coming into my office when they have difficulties. It is a real convenience. It is not as if it was a small community. It services a very large area.

Sometimes I wonder about some of the policies of the government. It has to pay more attention to people and less attention to policy and friends. The estimates and where the government is going, both fiscally and monetarily, leaves a lot to be desired. I believe I speak for the people of my riding. I speak reasonably for the people in the small business sector as the critic for my party, the New Democratic Party, when I say that something has to be done.

We have started, as the minister has told us, in getting lower interest rates. That is a start. But if we are going to continue, if we are going to start putting people first, we have to start here in Parliament.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Madam Speaker, I just want to pose a couple of questions to my hon. friend who made a number of philosophical statements at the beginning about the way he believes the fiscal policy of the government should be operated to help the small business community.

The hon. member mentioned deficits and expressed his concern that the federal government has been spending too much money. It is amazing to hear that from an NDP member because never, since I have sat in this House, have I ever had an idea yet from the NDP on how to cut spending. Their proposals are always to increase spending.

Anyway, he says we should have cut spending more than we did although they never helped us with any ideas on how to do it. I want to bring him back to a different province, the province of Ontario which now has an NDP government.

I have a press release here that announces that the Moody Bond Rating Service has lowered the province's credit rating by two notches. It has been followed by the Canadian Bond Rating Service, the Dominion Bond Rating Service and Standard and Poors.

Standard and Poors said this about the NDP government: "The lowering of the rate reflects the large budgeted increases in operating an over–all deficit in the fiscal year ending March 31, 1992. Very modest declines in these deficits are planned for three succeeding years."

This is an NDP government in office doubling the debt of the province of Ontario in four years. It has moved the deficit to historic levels. As a result, Ontario no longer has the highest credit rating of any province in Canada. The rating cut will cost the province an extra $15 million this year alone in added interest costs. Every time Ontario Hydro borrows an extra billion, it will pay out $2.5 million in extra interest costs.

Governments are like anybody else. The higher the risk, the more they pay to borrow. The federal leader of the NDP sitting in this House says that she is proud of the approach to fiscal management of Ontario's NDP. Proud is her word.

The NDP is raising spending by 13 per cent in one year. It is bringing in a record annual deficit. Scaring off investors and losing your credit rating is nothing to be proud of.

I want to ask the hon. member whether NDP really stands for no down payment. You and your children pay later.

Mr. Whittaker: Madam Speaker, I am very pleased to answer this question.

It is wonderful to have a cabinet minister stand up and bare-facedly tell the people of Canada that the policies of the Tory government are working.

It has been recognized in Ontario that this made-in-Canada recession is as a result of Tory mismanagement since 1984. We see the minister stand up and preach to us about where we should be saving money when this government pitches out truckloads full of goodies to its corporate friends and ignores the people.

This Government of Ontario finally put people first. It finally put people first, after following on years of Liberals and Tories, and Tories and Liberals. We have had the same old nonsense for years and years.

When you come down to it, we are going to see the fact that Ontario has now levelled out as far as the line of credit goes with other provinces, provinces run by Conservative governments who have run their provinces down the drain over the years. This debt which the minister has talked about is not nearly as bad as he makes out. It is less per capita than what the federal government has racked up over the last few years.

Let me talk just briefly about what I call a corporate mentality where this government thinks nothing of shovelling money out for little perks for its friends. It still has not given consideration to small business or the regular people. Give the regular people a break.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I am sorry I did not hear all of the member's speech. I was coming from another meeting.

I think he should be aware of the fact that in the province of Ontario—he has sort of baited me on this—one of the problems that we have right now with the NDP government is that it is afraid to make decisions.

• (1650)

I want to deal with one specific sector. That is the housing sector in the province of Ontario, which is almost equal in creating wealth and jobs, from dump truck drivers to plumbers to carpenters. It affects consumer goods, etc. The Government of Ontario, the Bob Rae government, has not signed off on one plan of subdivision since it took power almost a year ago. There are literally thousands and thousands of affordable houses in these plans of subdivisions which would create jobs overnight. This would mean that the deficit attack the province of Ontario took in its last budget would not be necessary.

Rather than making the taxpayer pay put those people who can go out and create wealth and create tax revenue to work. They want to work. They would rather work than sit back waiting for the Minister of Municipal Affairs to sign off on plans of subdivisions. In a market where people are crying for housing, especially affordable housing at $150,000 a home, the government is sitting idly by. I think you have to be very careful when you tout your NDP government and justify its deficit because there are many, many things it could be doing to unleash the productive capacity of that province, which needs to be unleashed so desperately.

Mr. Whittaker: Madam Speaker, it is interesting that we have a member of the Liberal Party talking about expecting miracles from a government in a very short time. We almost have that with what, as I understand, the Ontario government has done. It inherited approximately $2.5 billion of this deficit, it had transfer payments cuts of $3.5 billion—

An hon. member: Cuts.

Mr. Whittaker: They were cuts directly from the federal government. As I understand it—

An hon. member: He is a Liberal.

Mr. Whittaker: As I understand it—

An hon. member: Keep the Liberal Party.

Mr. Whittaker: It is wonderful—

Madam Deputy Speaker: For some reason, I do not feel very involved in that exchange. I think everyone is supposed to be talking to me.

Mr. Beatty: It is a lovers' quarrel between the Liberals and the NDP.

Madam Deputy Speaker: There is one minute left for the hon. member to conclude.

Mr. Whittaker: There has never been any love between the New Democratic Party and the Liberal Party in spite of what the minister says. There has been no love between the New Democrats and the Conservatives either. We will continue to fight both the Liberal and the Conservative regressive and repressive policies toward ordinary Canadians.

The budget of Ontario builds on the $700 million anti-recession program announced last year by providing a total of $4.3 billion for capital spending on hospitals, schools and other infrastructure this year and by initiating programs to help workers and struggling businesses through the recession. This government in Ontario has shown what a New Democratic Party government can do in trying to clean up a mess left by the Liberals.

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, perhaps our colleagues across the floor would like to take note of some of the figures and facts that I shall be giving and see how a very efficient government operates. At the same time, I would reserve a couple of my comments for the end, since I did not have the opportunity to ask a question of my colleague.

This year the main estimates totalled $158 billion. Through these estimates the government is seeking Parliament's approval for $47 billion in new spending authority. The remaining $111 billion represents statutory payments that have had previous parliamentary approval.

These main estimates demonstrate our continuing commitment to control spending and contain the cost of government, the need for significant changes in the way government operates, and our commitment to deliver services to Canadians in the most efficient manner.

Since taking office in 1984, this government has given a high priority to reducing the cost of government operations while still providing Canadians with the programs and services they need. In this regard, much has been achieved over the past six years. Annual growth in program spending has been reduced, on average, to 3.7 per cent. In this regard, we have to look at annual growth in operating and capital spending, including public service salaries which we have dropped to an average of 3.3 per cent; and the Public Service has been reduced since 1984-85 to roughly the same size it was in the 1970s.

These achievements show the government's commitment to increased efficiency through the rigorous control of expenditures as well as the implementation of innovative management procedures. These achievements also reflect the government's commitment to good management and to the careful stewardship of the taxpayers' dollars. Our record is one of success.

The year-over-year increase in the main estimates is the outcome of a number of decisions affecting the budgets of all 142 programs delivered by 118 departments, agencies and Crown corporations appearing in the estimates. This increase can be divided into two broad categories: adjustments to statutory items, which amount to $7.2 billion, and changes to voted items, which amount to $2.7 billion. Therefore only 27 per cent of the growth in the main estimates relates to voted items.

Statutory spending is $110.6 billion, or 70 per cent of total estimates and will grow by 7 per cent. Spending in this category includes such things as major federal transfers to Canadians in respect of Old Age Security, guaranteed income supplements and family allowances, and transfers to the provinces for health, education and social assistance.

It is important to note that the major factor underlying the growth in the voted portion of the main estimates is the carry-forward items, funded initially through the 1990-91 supplementary estimates. Items previously approved through supplementary estimates account for 44 per cent of the year-over-year growth of voted main estimates. The other categories such as higher personal costs, increased workload and new program initiatives, play a relatively minor role.

On a consolidated basis, four areas account for more than 80 per cent of total allocated budgetary spending: public debt charges take up 27.4 per cent of the total; social programs 36.1 per cent; fiscal arrangements close to 11 per cent; and defence spending 8.1 per cent.

Social programs are the largest component of over-all spending. During 1991-92, the federal government will direct $57 billion, which is 36 per cent of its allocated main estimates, to improve the social conditions of Canadians. The departments of Health and Welfare Canada, Indian Affairs and Northern Development, Employment and Immigration Canada make up over 90 per cent of the spending in this sector.

Through these social programs, the government is continuing its efforts to help those in greatest need through programs of assistance to the economically disadvantaged. The government's programs and policies will continue to ensure equality of access by all Canadians to the benefits of Canadian society.

• (1700)

Mr. McCurdy: Madam Speaker, I am sure the hon. member knows that it is unparliamentary to read a speech in this House. Therefore I must conclude that the hon. member is reading from a document. If he is reading from a document we can read it ourselves, and for that purpose I would ask him to table it for our benefit.

Madam Deputy Speaker: I am sure the hon. member will allow his colleague to do as others do at times and speak with notes in front of him.

[*Translation*]

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, as I said at the beginning of my speech —

Madam Deputy Speaker: The hon. member for Bonaventure—Îles de la Madeleine.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, as I said earlier, I had a lot of figures in my speech, but obviously, the opposition doesn't like figures and doesn't like facts.

Some hon. members: Hear, hear.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): However, that is all part of my responsibility, Madam Speaker.

[*English*]

I will send a copy of my speech to the hon. gentleman across the way.

These estimates fully reflect the second year impact of the expenditure control plan announced by the Minister of Finance in the 1990 budget. In the budget the Minister of Finance announced a number of reforms intended to bring about both immediate savings and lasting efficiencies in government programs.

The key to this program of restraint is a continuation of the expenditure control program together with tight controls on the cost of government operations which are expected to produce a savings of nearly $870 million to Canadian taxpayers in the current fiscal year.

Over the five-year planning period, 1995-96, cumulative savings to Canadians will amount to over $5.2 billion. The expenditure control plan is extended to 1995-96. The budget also contains further measures beginning in 1991-92 to restrain spending on programs and operations of federal departments and agencies.

Over-all spending on operating and capital for existing programs will be effectively frozen as of 1990-91. This will be accomplished by a 3 per cent cut in the 1991-92 budget and capital budgets of each department.

In addition, departments will be required to absorb any increased salary costs arising from new collective agreements. As a result any wage increases will be paid for by a corresponding reduction in the number of jobs. Depending on the results of collective bargaining, this could entail a reduction in employment affecting as many as 6,000 jobs in the civil service.

Together these measures have reinforced our message to Canadians that the days of easy spending by the government are long past. The reality is all the more significant as we come through a period of economic recession and downturn coupled with unforeseeable external pressures for new spending.

Our budget also contained other significant initiatives. First, the Minister of Finance on behalf of the government is bringing forward draft legislation to put statutory limits on spending. This should provide Canadians with greater assurance that program spending will be managed within the fiscal framework.

Second, the government will reduce discretionary grants and contributions by $75 million. The hon. House leader, Harvie Andre, has been discussing with colleagues how these reductions can best be achieved.

Third, the government will streamline its operations by reducing the number of its executives by 10 per cent.

These reforms are necessary to make funds available for essential programs and services. However, reducing costs is only one aspect of the reforms of this government. These measures also reflect a profound realization that the present cost and complexity of government operations can no longer be justified to Canadians. If this government is to serve Canadians well, we must do it through new forms of service delivery and through organizations that are more efficiently managed.

Therefore, to improve efficiency within the Public Service, innovative management practices will continue to remain a priority of this government.

The government has introduced a wide range of initiatives since taking office in 1984 to improve the management of the expenditure of our budgets. The actions have been taken and will continue to be taken and they will produce results for all Canadians and Canadian taxpayers.

For example, revenues from external user fees now exceed $3 billion, which is more than double the 1984–1985 levels. The government is continuing to seek out new areas where the application of user fees are appropriate.

The government, through initiatives such as this has adopted a management strategy based on a more businesslike and frugal attitude to its operations. This, I understand, goes against the policies of our counterparts, the New Democratic Party across the way.

It has implemented measures to realize cost savings and improved administrative practices to deliver programs more effectively. This has been achieved through such initiatives as contracting out, special operating agencies and privatization.

The government believes that many services and functions are best carried out by public service employees. However, to provide a full range of options for delivering services to the Canadian public, certain functions are better done through the private sector, through contracting out.

Special operating agencies continue to be a viable mechanism for improving the delivery of our very important public services to the Canadian public.

Six more agencies have been announced through these main estimates, including the Canadian General Standards Board and the Canadian Conservation Institute. More candidates will be identified over the coming year, with a strong emphasis on organizations that directly serve the public where the potential for improvement is greatest.

Privatization will remain a key priority for this government. The government's program has already devolved more than 18 Crown corporations that have other corporate holdings to the private sector and other levels of government. The government will privatize CN Exploration, an oil and gas company, and will wind up Petro–Canada International Assistance Corporation and the Canadian Oil and Gas Lands Administration.

The initiatives reviewed have helped move the government a considerable distance in managing itself more productively. The government will maintain its two–pronged approach of top–down restraint on departmental budgets and of management policies that modify the institutional and working environment of public service managers.

These measures reinforce the consistent actions the government has taken since 1984. We must control the cost of government operations. We are also expected to engender considerable change in the way departments and agencies do business, that is in the nature and type of resources used as inputs in the technology applied and in the organization and methods of program delivery.

By changing the atmosphere in which government business is transacted, it becomes easier to make the structures more business–like. In keeping with the business–like environment, the government will be eliminating person–year controls and moving toward operating budgets.

Person–year authorities are a control mechanism used to limit the average number of employees that a department or an agency can use in the delivery of its programs. A person–year represents the employment of one person full time per year or for one year the equivalent of three persons for four months.

Controls on person years are used by the Treasury Board to complement conventional budget controls. This system of controls has served over the years to limit the size and cost of the Public Service and encourage the search for labour–saving efficiency which we can also use in cost saving factors. This has been confirmed by the *Public Service 2000* task force report and the seventh report of the Standing Committee on Public Accounts.

• (1710)

The Treasury Board has begun to withdraw its control of person–year authorities in cases where suitable budget–based controls and incentives are in place to induce cost–effective, management decisions and the most efficient use of resources.

I would close by saying that when we speak on behalf of the government in terms of Main Estimates and Supplementary Estimates, that this movement toward operating budgets is a reflection of our commitment to Canadians to promote efficient practices within the Public Service. As I mentioned, the PS2000 task force and the Standing Committee on Public Accounts agreed with this.

The government is confident that operating budgets will promote more effective use of the taxpayers' money. This change is another example of our government's commitment to reform that will perform better service to Canadians.

I have listened to the other comments that were made by my hon. colleague across the way and will not go into more details concerning the New Democratic Party government in the province of Ontario. However, one thing I have learned since 1984, being a member of Parliament and, of course, we know that sometimes if we come from Quebec it makes it a little hotter than if we happen to come from other parts of the country, one thing that my people have told me at home since 1984 is that they want to pay, they want a service. If they do not pay then they have to cut back.

There are two methods that this government or any government can use, we can tax or we can cut. Our government is, in the most humane way, trying a little of both, which we have tried to approve and apply on behalf of our government. The NDP government can only talk about corporate bums, but the corporate bums supply thousands upon thousands upon hundreds of thousands of jobs in this country. Ontario is going through the situation now where business is going against them because they do not like their budget.

We cannot insult everyone, but what we shall do as the government is be very human and very Christian, if I can speak from the Christian point of view. Being a Christian of persuasion myself, and God fearing of any religion, without insulting any religion across Canada, we will administer this government so that all Canadians can have services that they need and we will be there.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, excuse me, I thought the initial reading of the document that the hon. member presented was fairly sterile and lacking all evidence of the humanity that he claimed at the end. I suspect that there are a good many Christians in this country. Perhaps we should subtract 14 per cent from all the Christians in the country who will be dearly offended by the claim that this government's policies are based on Christianity.

I would just like to take a moment to deal with the Ontario budget, it having been raised. I think it bears justification to reflect upon the components of this $9 billion deficit that has raised the ire of the wealthy Liberals and the wealthy Conservatives.

Let us just point out first of all that sneaky, little $2.5 billion deficit that the Liberal Party left behind when it was so brutally rejected by the people of Ontario. Let us also keep in mind, Madam Speaker, as I am sure you have, the $3.8 billion in transfer payments withdrawn from Ontario by this government, remembering that Ontario pays the fat portion of transfer payments to the other provinces.

Let us also take into account that something in the order of 200,000 industrial jobs were lost in Ontario. That translates into two things: a vastly increased burden on social assistance; and dramatic cuts in the revenues available to Ontario. Ontario is confronted with a situation in which it has had to prepare the damage done to ordinary Ontarians, who are Canadians, by this government that seems to insist that Ontario somehow does not fit into its equation of what Canada is all about when it comes to economic policy.

I did not hear anything here about the dramatic need for example of a government involvement recognized by studies from the department under this government, that is industry, science and technology, about the necessity of this government getting started with a program to enhance research and development in the parts industry. I doubt that I will ever hear it since this government has abandoned any notion of targets for R and D.

I did not get up here in order to engage in a long speech that would have me engaged in the rather easy ridiculing of both the Liberals and Conservatives for their perfidy, but I want to ask just two questions. First, the hon. member made mention early in his reading of savings to the taxpayer. There has been a good deal of

discussion over the last couple of days about possibilities for providing savings to the taxpayer. I think that among his colleagues there are those who look at that already existing $400 million excess from the GST and say: "Well now, why don't we cut that GST to 5 per cent?" I am wondering whether the hon. member agrees with his colleagues, some of them very illustrious colleagues, some of them well read in the field of financing, who have suggested this. I wonder if he agrees with that.

Second, I wonder if he could enlighten us, after having given us a very complete, albeit unnecessary definition, of what a person year is, as to whether he has taken into account the number of person years that have been substituted for by other budget items, that in fact lead to the same number of people working in various departments. But these are not counted as person years because they are contracted out, part-time—usually part-time for women by the way, Madam Speaker—exploitative of women. I would like to see if he has an estimate of how many of those person years have been substituted for by other expenditure lines for people who are not counted at all in the process.

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, my hon. colleague is of course very wise in the way of his words. I was just wondering as he was talking about the GST if in some instances he is suggesting dropping the GST from 7 per cent to 5 per cent. Perhaps if we did do that the extra 2 per cent would pay off the NDP budget in Ontario.

We are serious when talking taxes; Canadian taxpayers pay it across the country. The serious thing is that we have in excess of $400 billion that we have to pay. I will leave the question of whether GST comes down from 7 per cent to 5 per cent to the recommendation of all Canadians whether they want to pay it off with the new fund or whether the Minister of Finance decides that he wants to drop it to 5 per cent. That will be one thing.

One thing we can be sure of is that the NDP government will not drop its income tax in the province of Ontario.

With regard to contracting out, the question that I would ask my hon. colleague, if the process that the federal government has brought in since it has been in power for contracting out in terms of efficiency and in terms of money savings and what has been done for the service of Canadians, if he has any proof—

[*Translation*]

—that it doesn't work, Madam Speaker, I would ask them to give me the information. Thank you.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I would like to ask the hon. member about something that happened here over the last two or three months. It appears that the government agenda over the last two or three months has basically hijacked and removed the parliamentary procedure of supply, the means by which Parliament, through its committees, scrutinizes government spending.

• (1720)

In the very small area that I work in, in the justice area, I can say that we have had total committee time to scrutinize government expenditures in the very supply process that we are debating here today, of 1.5 hours. That is virtually nothing in the face of budgets of several billion dollars.

I will be fair to the government and recognize that in a number of ways its ongoing initiatives to reduce the deficit and the current made-in-Canada recession, in part by government policies, has impaired that. However, I wonder if the member could comment on how we could in this House improve these procedures in such a way that it could never happen again, the hijacking of that estimates scrutiny agenda that I have just described, so that we can do our jobs on both sides of the House as parliamentarians. What would he suggest that we do to avoid this ever happening again?

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, I think if my hon. friend in posing his question would look at the recourse there is still available through the House of Commons, with the standing committees, with the government operations committee, which I understand has fairly equal representation from all parties involved in it, perhaps another time around, according to the polls, you might have to have more parties involved in it.

In terms of the input, it is there. As for the scrutiny, to say it will not happen again—of course the ultimate scrutiny lies always with the Canadian population. What does not get said in the House of Commons, what does not get said in committee, as the gentleman knows being a member of the opposition party, obviously gets said in public through the media. So there are many checks and balances in it.

In spite of the frustration of sitting in opposition, which my party has done also, I would say to the hon. member that the way the procedure works at the present time, he can see that with the checks and balances, it balances out fairly evenly, probably I would say to my liking as a Conservative member of Parliament, more even for you than for me.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, as I listen to the member wax eloquent on the government's program of expenditure restraint, which every household and every business in the country is going through, I think he put it forward in a way that I would have to challenge. The program spending for 1984–85 was $86.6 billion. For the current fiscal year, it is $108.3 billion, an increase of $22.3 billion. Now, the budgetary revenue in 1984–85 was $70.8 billion. The current fiscal year budget revenue is $120.7 billion, an increase of revenue of almost $50 billion.

Really, what you have done is you have not only increased your program spending from 1984–85, but at the same time you have taken an extra $50 billion out of the economy.

My question to the hon. member is this. What do you tell your constituents when they must say to you: "My goodness, you are taxing us to death. The paper burden on the GST and other tax systems is driving us crazy. You are turning us into bureaucrats." What do you say to those people when they are going through the deepest, darkest recession that this country has ever had?

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Madam Speaker, What I would tell my constituents would be that in 1984, when I was elected, we were looking at a budget from the former Liberal government with an annual deficit of about $40 billion. In 1988–89–90, we are down to $28, $29 or $30 billion. A reduction of $10 billion.

You mentioned an increase in program spending, whatever the amounts are. Unfortunately, sir, I do not have them before me.

On new programs, I ran my campaign in 1984 saying that we had "Canada Works". The only thing we could do in my area on the Gaspé in the Magdalen Islands, was build picnic tables so the boys and the women could get 10 weeks of unemployment insurance stamps. We have changed that through our Jobs Strategy Program.

If new programs have been introduced, which I believe are to the benefit of all Canadians, then there will be an increase in that.

One thing is certain, the budget, from $40 billion, is down around $30 billion, which is to the respect of my Prime Minister and our Ministers of Finance, because we have cut back in spending as opposed to the increased spending of several other provinces. That has now happened.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I am quite pleased to stand to talk to this issue today. We have many, many matters we could look at concerning the government's budget. We could be looking at the choices that government makes in many areas and its impacts on the daily lives of people across this land.

I just have to look in my own riding at the food banks, at the number of students who cannot find jobs, at the tax burden businessmen have been talking to me about, at the concern the hungry, the poor, the sick and the elderly are expressing with respect to the health services and the cuts to equalization payment funds, the capping of the kinds of transfer payments that we are helping out with in many areas.

Today I have really chosen to focus on the approach of this government in the field of culture and communications over the past seven years as is highlighted particularly, in its budget.

In the throne speech there is not a single word about culture. There is not a single word about this enormously important industry in the throne speech and the budget, which are supposedly focusing on national unity, on rebuilding consensus in this country, on the Constitution. We have not seen one new word about building this new Canada. There is not an ounce of mortar to hold the bricks together in this country.

It is true this government has a majority in a democratic society. We have to respect their right to govern. But you can also question their right to the poor choices they have made in public policy for the people of Canada. There is no place that it can be reflected more clearly and more succinctly than in the field of culture.

I can say that this government has been in receipt of a wealth of knowledge and incredible benefits which have come from information from an infinite number of task forces and studies. These have cost, through the three ministers who have gone, well, two, the third one is just in, two Ministers of Communications and Culture, have spent over $10 billion in studies and examinations—

[*Translation*]

And all this to see what is happening in communications and culture. This is all very well, except that we need action, positive action, not this hacking away at the roots of a country.

[*English*]

Do you know that these task forces cost $10 billion? With all this time and effort, with all these so-called consultations and with all the standing committee work, this government has had no excuse to delay facing its responsibility in the area of communications and culture, which I said, I feel personally, and I think our party has demonstrated, is vital to the building of a sense of national identity and national unity.

There is little doubt of the importance of this sector to our economy, to the workforce, to the tourism industry. It provides us not only with that sense of Canadian identity and Canadian uniqueness, but it presents a very distinguishing mechanism by which we can identify ourselves on the world stage as Canadians.

• (1730)

There is no doubt that these means of expressing who we are, whether it is through the dance, theatre, song, songwriters, television, film or radio, are how we can identify ourselves so succinctly. My colleague here knows that very well and is a strong supporter of French songwriters and French singers.

[*Translation*]

I am thinking of Michel Séguin, but there are many others who are very important to Canada's cultural environment.

[*English*]

Not only is culture a very vital element in nation building and a unifying force, but I would like to underscore its importance to the Canadian economy. Do you know that it has been the fastest growing element in the Canadian economy? Did you know that? It is absolutely fundamental. In 1987, the labour force engaged in cultural activities was estimated at 400,000 Canadians. So says Stats Canada, according to Allen Gotlieb, the present Chairman of the Canada Council.

Arts related employment was as large as the agricultural sector in terms of employment. In fact it was the fourth largest sector of employment in Canada. Cultural revenues were estimated at $13.7 billion in 1987 and have grown immeasurably, as I will point out shortly, since that point. There has been an incredible ripple effect on the over-all economy. The income in this sector, with tourism and all the other benefits—whether they are the hot dogs or the peanuts sold, or the popcorn in the theatre that we all like, or the Coke or Pepsi—is in the range of $29 billion. Those are a lot of zeros. The industry buys a lot of food, provides a lot of jobs and is on a par with the metal and mining industry, in terms of revenues.

Mr. Belsher: So whatever we are doing with culture, we are helping it.

Mrs. Finestone: It is a very big, important and beneficial area of our society. I would like the hon. member to read the Masse-Levesque commission report on national development in the arts, letters and sciences which was tabled in the early 1950s at a time when there was very little federal involvement in the arts. That report realized that Canadians' cultural identity, if we were to survive, required an activist role—one of partnership between the federal government and the provincial government, municipal governments and the private sector. That is how we have established Canada on the world map. We have produced, and can be very proud of, artists who are the expression of who we are within Canada. I am sure you would agree with that point of view.

This is not to say, when I talk about the federal role, that the provinces must not play an important role in cultural endeavours. However, I would caution that provincial initiatives are most effective when they are complemented by a federal presence in the sector.

For example, restraining the flood of foreign cultural activities would overwhelm the capacity of any single provincial government. Our proximity to our friendly neighbour, the United States, poses very special problems that are best met collectively right across this land. The pervasiveness and the power of the American cultural machine—through its film industry, television industry, music industry, the integration of those industries, and its distribution and marketing—is such that a fragmented system of cultural support and promotion would be easily overwhelmed if we did not stand together as Canadians shoulder to shoulder, coast to coast, *en anglais ou en français, n'importe*.

We need to be vigilant in this government. A headline in *The Globe and Mail* today reads: "First day of trade talks produces discord". What does that headline go on to say? It says: "Canada-U.S. disagree over cultural industries". Sure they disagree because Canada has been able to and—if it continues to stand tall—can stop the overflow of American cultural homogenization around this world by saying that every country has the right of access to a certain percentage of its own market. If America has 94 per cent of our film market, how much does it want—100 per cent, or should we be allowed to have 3 per cent, 4 per cent, 5 per cent, 6 per cent? Could we go on to 10 per cent of our own market? That is something we should be allowed to do. If the American people, the average people in the United States, understood what the Jack Valentes and Carla Hills of this world wanted to do they would say: "Quit it, stop badgering your good friends and neighbours, the Canadians".

I believe that where we have now had the Constitution of Canada dominating our agenda with the Belanger-Campeau commission, with the Allaire report, the current discussions around the devolution of culture and communication powers to the provinces are very worrisome.

The total removal of the federal government from these cultural fields would have a devastating impact on national unity and on cultural sovereignty in Canada, leaving us with an arrangement of a purely political and economic nature.

I would like to quote the Canadian Conference on the Arts which says: "Canada would cease to be a nation and would become a corporation." This side of the House sees a public federal role as necessary and complementary to the provincial, municipal and private sector initiatives to ensure viable, cultural activities. We see the role of the CBC, the National Arts Centre, Telefilm Canada, the museums, the National Archives, the library, the National Film Board and Canada Council as well as other federal institutions and programs as important and key.

They must be kept to reflect Canadians to Canadians. Without an activist federal government in the cultural arena, Canada will be nothing more than an association of economic states. There will be little opportunity to develop in the way of foreign influences and in the way of our personality.

The federal government's recent actions in this budget of 1991 hit the arts community very hard. In total, culture has lost $169 million for 1991-92 and the carnage may not be over. The big losers will be the four large projects: the performing arts buildings for Toronto, Edmonton and Montreal as well as the cultural research institute announced by the former Minister of Communications only days before the budget.

We need that research institute. I do not care where you put it, but you need to put it in and you need to integrate it into the kind of work that we are doing so we can do our work intelligently with the proper number crunch figures and the proper goal set for the future within this country.

These four projects totalling $151 million have supposedly only been delayed, according to the government. The main concern to the arts community is the government's intention to reduce its over-all grants and contributions to all sectors by $575 million over the next five years.

This year, grants and contributions will be cut by $75 million and each year thereafter by $125 million. It is still not known how Canada Council, Telefilm Canada, the Museums Assistance Program, the Cultural Initiatives Program and the postal subsidies program will be affected.

With regard to the postal subsidies program, we heard the minister today talking about how marvellous the post office has been since it was privatized, but he forgot to mention that he saved $110 million on the backs of the Canadian cultural industries, newspapers, magazines and community newspapers of this country.

If you look at the graph which was presented to us this morning in committee, it is extremely interesting to see that the government can talk about how good it has been in terms of allocation of current dollars. That is lovely, except it forgot there is an inflationary factor. Every one of us knows that it does not cost the same amount of money to buy a bottle of milk and a loaf of bread today as it did in 1984–85.

Here we are in 1991–92. If you look at the current dollars versus the purchasing power of the constant dollar, you would see that this government's allocations have gone down significantly.

I will not give the figures now but if someone wants to ask me after, I would be happy to give a breakdown of these figures. What has gone on here is that the decisions by this government are now going to be reviewed on a behind-the-scenes basis by the hon. Harvie Andre, the government House leader.

I would like to suggest that he may not be in the best position to review a lot of the things that we have been talking about. His review would remind me and hearken back to the Nielsen review, which was rather dramatic and Draconian.

As well, I have been hearing how we have been so good to our youth. We well know that there is a Canadian Jobs Strategy allocation program and a Summer Opportunities program. They all have special fancy names, but what they mean is that students and community groups need help and extra manpower during the course of a time frame which is generally the summer time. That money has been cut in my region alone by close to 20 per cent. That is a serious concern to the arts and cultural community because that jobs strategy cut will be in the amount of about $100 million. It represents a cut of about 5.5 per cent and it occurs at a time when cultural organizations have been pushing for new training and for human resource development programs for the burgeoning youth and cultural communities, which are really vibrant, exciting and dynamic. I know if you go, as I do, to youth theatre programs, to the amateur development programs, to the parks and the playgrounds, to the CEGEP level and see some of the productions that have come out—

• (1740)

Mr. Mills: *Degrassi Junior High.*

Mrs. Finestone: And today, thank you, *Degrassi Junior High* is a perfect example. There is so much talent out there, but we need to find the tools to enable them to demonstrate and produce and direct at a national level.

When I look at the CBC, the government's lack of vision and commitment has produced a starveback of our national broadcaster. In fact since 1984, this government has been slashing away at the CBC. If government cuts, inflation and increased costs due to the government's GST, and lack of action in providing for ephemeral rights in copyright are all taken into account, the CBC has lost between $240 million and $400 million in only seven years. Last December, because the government throttled the CBC, the corporation was forced to take measures to address the shortfall of $108 million by closing stations in Goose Bay, Matane, Toronto, Cornerbrooke, Sydney, Rimouski, Sept-Îles, Windsor, Saskatoon and Calgary.

[*Translation*]

I was in Rimouski when nearly 5,000 people demonstrated against this decision. They were furious. I went to Newfoundland, in Cornerbrook, and I had the same experience with hundreds of people who demonstrated their objections to cutbacks that were both inevitable and intolerable. There were petitions, and action was taken by both employees and listeners. However, this government is deaf and dumb. It doesn't understand the issues, it didn't do anything about it. Meanwhile performers were in a bad way. And they still are, with an average salary of about $15,000 a year.

[*English*]

So local productions for the most part have stopped. Radio Canada International, *Radio-Canada international*, has been reduced, as has the parliamentary channel. We pick this up on a temporary basis. We are still talking about privatizing the right of elected members of Parliament to speak to their constituents without worrying about whether the private sectors like how we put it on, the hours we have used, whether we have exempted their time and who shall be seen. It is ridiculous.

As a result of these cuts, 1,100 jobs have been lost, all because the government does not understand why we need a public broadcaster. They do what no one else can do. They bring us the voice of Canada from coast to coast to coast. No private broadcaster can afford to do that. The public broadcaster does it, and does it well. It is important that we keep that link and allow among the exploding spectrum of choices that we have, from America, Europe, Britain, France—all wonderful, and choice should be there—a national voice which sets standards. We cannot afford to continue decimating that service across this land.

Now we have the status of artists legislation, which is welcomed in this House and by the arts community, but I wish it was a little bit more substantive. A lot of it is smoke and mirrors because the concrete ability to realize an improvement in the effective spending power and income of the arts community is not there yet. We have forgotten about income averaging. This arts community knows very well that this year you may be well employed, this month you may have a job but next month you do not. There are good artists and those who are learning to be effective, who are painting and starting to sell. This year they sell well but next year they do not. They have to have income averaging.

This government will not hear of changes within the revenue code or the Revenue Act, which would only be sensible if you addressed the arts community and its particularity.

We did not do anything about bankruptcy protection, which is fundamental. We have done nothing about the public lending rights. We are moving to an open shop from a closed shop and you, Madam Speaker, understand l'Union des artistes et ACTRA who know about ensuring their own artists a job before foreigners come in here. The Americans have moved from an open shop to a closed shop. So thank you very much. There we go, we will not even have access to the American stage, but they can come in here and take jobs from our workers.

With Radio Canada International I guess the best argument is that the Prime Minister's own friend, the Senate chair of the Transportation and Communications Committee, Findlay MacDonald, spoke about it in the media and was quoted widely and wildly. I would read into the record some of what he had to say, but I just want to make a point of bringing to your attention as well—I have one minute left—that we cannot forget the National Arts Centre and the museums.

We have a War Museum. We sent our troops to war. We have pride in these people who represented us and defended us. We treat them so shabbily with the way we look at our museum, but we put millions and millions and millions into bricks and mortar in Quebec. I do not care if you want to move the War Museum to Quebec, but at least let's have something that will honour our citizens and the work that they have done and the valour that they have displayed, not disgrace them. Do not hide from view the beauty and the wonders of the arts and the artefacts that we have from the efforts that they have put in.

The National Arts Centre is also of great concern. There is a $369,000 deficit and there is no accountability in the system that was set up and complete disregard on the part of that board of trustees and its directors. That is worrisome.

I would love to have read what Findlay MacDonald had to say because I think that it displays the inability of this government to have a cultural vision, to understand the importance of Canada's voice, not only provincially, not only federally, but internationally. That is what we went ahead and cut as well. We cut our own throats. We are perfectly ridiculous in the way we manage our budget and make choices.

It is not to say that I do not understand that we need deficit cutting—yes, we do, and we have to be better managers—yes, we do, but you have an opportunity and you have choices in the course of that opportunity. This government's choices have been disgraceful, particularly in the arts world where the bricks and mortar have to be held together so that this country is a country that can stand tall in the world of nations.

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I rise first of all to express my congratulations to the hon. member for an excellent speech and presentation on the whole spectrum of subject matter in the ministry of Communications and Culture. It was an education to listen to her and I will read her remarks with great interest. I have the honour to serve with her on the Standing Committee on Communications and Culture. Twice today I have enjoyed a very educational experience as we had a presentation earlier this morning from the officials of that department and that was also very informative, interesting and wide-ranging.

I would like to ask the hon. member if she could—

Mrs. Finestone: What is his riding?

Mr. Bird: Fredericton—York—Sunbury.

Mrs. Finestone: All right. Thank you.

Mr. Bird: I would like to ask the hon. member if she could identify those areas in communications and culture where indeed the deficit could be attacked, where the soft priorities are as opposed to the high priorities. I may have missed areas of her presentation, but I also share her general views that we do have to be financially responsible in Canada. I thought she spoke almost as a Conservative in the closing comments of her speech and I would be interested again, for my information as a neophyte in the area of communications and culture, to understand where those areas of deficit reduction might be found in the ministry, in the terms of reference of the Ministry of Communications and Culture.

• (1750)

Also, while she is at it, she mentioned, and I think very correctly so, that there are certainly issues and opportunities in the whole spectrum of communications and culture to make a significant contribution to the resolution of our Constitution into national unity. Perhaps she could identify for my information and the information of others in the House where those particular opportunities may be.

I look forward to working with her closely in future months on the committee and I would listen with interest to her response at this time.

Mrs. Finestone: I welcome the question from my colleague from Fredericton.

As the House draws to a close and we are all getting a little bit overwhelmed with the number of meetings and the hours that we are spending, I appreciate more than ever the kind of work that we have to do, although the public thinks we do not work and I have tried to calculate what our 18 hour days really add up to.

Through the ability to respond to my hon. friend who is now the chairman of this committee, and I wish him well in that task, I would like the public to know that together I think that we can look at the kinds of questions he just asked me.

He made a cute little comment. He said: "You almost sounded like a Conservative", because I talked about fiscal responsibility. I guess, my hon. friend, the difference is that I am definitely not a Conservative, nor am I an NDPer. I am not frozen in either ideology. I chose to be a Liberal because I believe in fiscal responsibility. I believe that one must support the social needs and the social values of this country while balancing them on the scale of justice with respect to economic need.

You need to have that scale go in a fair measure and in a fair balance in the course of a mandate. In the instance of the Conservative government we have had, you have been blessed with seven rich years. If you had been fiscally responsible as a government over those seven rich years, during the coming seven lean years, I hope it will not be that long, we would have had the kind of cushion that would have enabled us to live much more sensibly in the years ahead.

With respect to this scale of justice and where I would have looked to cut or to have been more fiscally responsible, I tried to indicate this morning that I thought the Department of Communications ought to look at how we use our money in the production of film, which would be video, one of the communicating tools that is most effective and has the greatest impact on our society. We know that adults watch about 24 hours a week of television. We know that children spend more time watching television than they spend in school. Therefore, the production and distribution of those communication vehicles, television and videos, are very key. If we look at it and priorize where we are going to put our moneys and use them effectively and not scatter them in a variety of programs and institutions, then I think we could be more effective.

Over all, I would suggest that my choice is no deficit, no cuts and careful scrutiny of where we spend it. The goal is the growth and development of a Canadian cultural industry which will cement this nation through knowledge, understanding of its growth, its beautiful history, its wonderful stars and the role models whom we have in every field of endeavour, just as much as in any other country. Certainly we have just as many super stars as the Americans have except we have not promoted them.

I would not cut in actual dollars anywhere. I would refocus my priorities because I think that there is something we cannot afford to do; we cannot afford to cut in our cultural properties and in our cultural agencies. We can afford to cut elsewhere. It is a matter of priority, and that is how I would look at it.

I think I pointed out in terms of the hon. member's third question on federal and provincial that it is absolutely fundamental that we maintain a national presence and national institutions which show and encourage the presence of excellence across this land. This does not remove obligations and rights from provinces and municipalities to foster the kernels of greatness, the folklore and the general culture within their own area of expertise.

I think that where you can run complementary programs such as Quebec does in film development you also see the potential. Money is put in through the potential of capital cost allowances and tax write-offs. They know. If anyone knows, it is Quebecers who know, and I include myself in that Quebecer scene.

We know that it is those instruments of song, dance, film and video that absolutely protect and enable the growth of the culture expressed through those artistic endeavours. They have used fiscal policy to enable the growth and development of those instruments. That is what I would do in terms of federal-provincial relations.

I certainly would not remove the federal presence or the national institutions. I would support a shared jurisdiction along with the private sector.

[*Translation*]

Madam Deputy Speaker: The hon. member for Saint-Maurice, for a short comment or question.

Mr. Denis Pronovost (Saint-Maurice): Madam Speaker, I will be very brief. I have already said in the House that I thought it was unfortunate the government did not maintain some of Radio Canada International's services. The hon. member for Mount Royal made a reference to the Polish service, which until quite recently, had 2,926,000 listeners in Poland who were able to listen to the voice of Canada on radio.

I thought it was really unfortunate, and I deplored this withdrawal from the airways. However, I have the following question for the hon. member, the opposition critic for communications. Wouldn't it be time to realize that short wave, in particular, is no longer as effective and as valid a communications medium as it was a few years ago? One example is France. Before, the only contact the French had with Quebecers was through Radio Canada International, on short wave. Today, Madam Speaker, the French can watch Le Téléjournal as well as a whole series of television productions from Canada,thanks to TV5.

The best way for Canada to become known throughout the world is via television, not short wave, since ratings for the latter have gone down considerably throughout the world. This medium is now used only in Africa and Asia.

Mrs. Sheila Finestone (Mount Royal): That is one way, but there are others as well. I can tell you that what we are coproducing with France, and France will certainly carry out the distribution of cultural products in terms of films and music as well as videos around the world, will be distributed in French world-wide. I hope the day will come when there will be more English coproductions to reflect our reality too.

That being said, the fact remains that we certainly looked closely at all the precious tools we have and the most efficient use that could be made of them here in Canada. I appreciate the hard work our colleague from Saint-Maurice did with regard to CBC International. I know how much he wanted this important international tool to be maintained. I know he fought a pitched battle both in the Committee on Communications and Culture and behind the scenes with the minister and others.

I know that he did not want the elimination of the service in 19 languages and the accompanying staff cuts, heralding the disparition of this marvelous tool which had put us on the map. I think his views were shared by some, seing that even Moscow complained about this cut.

So, I would like to thank my colleague for the work he has accomplished and I hope that he will keep asking for the reinstatement of all the funding and staff required to allow CBC International to fulfil again its role as the voice of Canada abroad, which made us an internationally-known dreamland.

• (1800)

Mr. André Harvey (Chicoutimi): Madam Speaker, I am pleased to participate in this debate today. The motion before the House fails to take into consideration all the positive aspects of our economic and fiscal policies. To start with, I would like to say that it takes a lot of patience and willpower to listen to speeches like the ones we heard from members of the Liberal Party of Canada and from the hon. member from Mount Royal in particular, about the cuts made by our government in areas as important as, among others, equalization payments. This afternoon, I checked with the Department of Finance about transfer payments to the provinces. They are in three parts, and I think there is a lot of confusion amongst Liberal and NDP members. The first part is the Established Program Financing, the second equalization and the third the Canadian Assistance Plan.

I listened to what the hon. member for Mount Royal was saying about equalization. I wish that, in the next few days, she would check the actual figures because, in Quebec in particular, they increased from 3 billion dollars in 1984 to 3.8 billion dollars in 1991–92, and now 4 billion dollars. That means, for Quebec, an increase of 100 per cent in equalization payments over just eight years.

In politics, it is very hard to avoid being overly partisan and saying just about anything, but I urge the Liberal Party of Canada to analyze the figures concerning transfer payments to the provinces. Since 1984, there has been an increase of up to 6 per cent per year. It is an area where our government has been most generous. I have all the figures here and I might come back to them later on, Madam Speaker. Still, I believe that when you say something in the House, you should have the correct information.

Regarding Quebec in particular, the transfer payments were 8.153 billion dollars in 1984, Madam Speaker, and they will reach close to $11 billion in 1992–93, an increase of almost 35 per cent. I do not see any reduction there, it is a rather substantial increase.

In a speech putting into question the financial management ability of our government, there should not be any question regarding the significance of our economic development program, as outlined in the February 26 budget. The objective of the Budget is crucial: to get Canada out of the present recession and put it back on the road to growth and job creation.

We must emphasize that our government is trying to completely change all the political culture that had been built and nurtured by the former Liberal government. This policy recognizes that the key to economic recovery and durable prosperity during the next few years is the development of a climate which would help bring down inflation and interest rates and keep them down.

All Canadians gave us a clear and strong message during the consultation period that was conducted by the former minister of Finance, and the future will tell how effective his actions and his management are. The clearest message was the need to reduce the interest rates while, of course, taking the free market into account, so that all Canadian businesses could be able to compete internationally.

In order to reach this objective, the plan sets out specific goals whereby inflation would be gradually brought down to 2 per cent by 1995.

Our main actions deal with three particular areas, Madam Speaker. The first one relates to federal spending control. We should emphasize that it is the federal government which, in the last six years, has shown the most restraint in its spending, as opposed to the municipal and provincial governments. Government spending growth has been kept below a 3 per cent. No other government, Madam Speaker, has maintained that rate. This performance has been recognized by all world organizations and by OECD, among others.

There is also the second aspect, the deficit and debt reduction. It takes a lot of gall, Madam Speaker, for a Liberal member to say that the government should have acted more responsibly. They went as far as mentioning the name of Marc Lalonde who pushed the debt from 18 billion dollars to 200 billion dollars and who doubled the deficit in one year, from 14 to 28 billion dollars. They dare to tell us that we have no sense of responsibility! I find it unacceptable for a member to stand up in this House and say such exaggerations and inaccuracies. As to our strategy of drastically cutting the costs of government operations, especially salaries, Madam Speaker, of course, we hear attacks mostly by Liberal and NDP members. It is normal coming from opposition parties because for 20 years, we saw a management philosophy that could be called "put it on my account". We kept spending without ever paying. It is unbelievable! We have even been held responsible for the 1984 deficit of $40 billion, a few minutes ago. And it is when our government came to power that the deficit started to

decrease. It went down 25 per cent since we came to power.

It is the reason why, Madam Speaker, our plan for economic recovery and our budget rejected specifically this approach of irresponsably increasing public expenditures and the deficit. Such spending would inevitably bring back higher deficits and a galloping debt that would in turn lead to another period of economic slowdown. The budget rather reaffirms the fact that a better control on public finance is an essential element of the balanced economic framework that we must put in place to insure a permanent recovery and prosperity.

The public will be confident that our progress in reducing inflation and interest rates, and in increasing productivity and personal prosperity, will not be engulfed in the quicksand of deficits ans public debt, with the resulting tax increases necessary to face the situation left behind by irresponsible people.

To develop our plan for economic recovery, we turned to the future, but we also drew lessons from our past economic development. It required a lot of courage, Madam Speaker, to redress the situation left by Marc Lalonde and associates. During nearly 25 years, from 1950 to 1973 inclusively, Canadians saw their national economy and personal prosperity improve considerably. Canada's standard of living nearly doubled within one generation. The growth did not happen by chance, it was not accidental, it resulted from sound economic policies. Inflation rate was then less than 3 per cent, which helped maintain interest rates low. Federal government annual deficits were low or non-existent. I recall that unrestrained and uncontrolled deficits appeared in 1974, particularly under Messrs MacEachen and Marc Lalonde.

As I said, federal governement annual deficits were low or non-existent. Companies increased their investments considerably. We became more productive and more prosperous, and employment progressed markedly. Unfortunatly, these lessons were forgotten from 1974 to 1984. Governments had let inflation go sky high before trying to control it with restrictive monetary policies. However, those policies were always relaxed before prices had really stabilized. So the net effect of each series of policies was to have them firmly ingrained in the public inflationist wishes and bad habits, and the governement only compounded the problem by spending more than he received in taxes.

The philosophy of the day was to live beyond one's means. That is why, Madam Speaker, it was so difficult for us in 1984 to be a responsible government and to commit ourselves to controlling the deficit. That is why the deficit escalated to 38 billion dollars, almost 40 billion dollars, Madam Speaker, with a budget of about $100 billion or 105 billion dollars while the national debt shot up from 27 billion to over 200 billion dollars. It is no wonder then that economic growth and production went down between 1974 and 1984. Businesses had to fight on two fronts: on the one hand, stronger government interventions, tax collections and the national debt—clearly, the government had no choice—and, on the other, growing competition world-wide. Heaven knows that factor is not decreasing.

The weakening of the Canadian dollar was not sufficient to stop those trends. We are still paying today for that incredible period. If it was not for the service of the debt that we inherited in 1984, Madam Speaker, there would be no deficit and our debt would not have reached the $400 billion mark it will cross this year.

• (1810)

Since 1984, the government has been busy rebuilding the foundations necessary to support a sustainable economic prosperity. Our record shows the very real progress we have achieved. I take this opportunity to mention to you again, Madam Speaker, that international organizations, have acknowledged that Canada has now a policy and a plan for economic recovery which is the envy of many other countries, particularly if we consider the initial situation which we had inherited.

The debt growth has been considerably reduced from a 22 per cent annual rate to about 8 per cent, Madam Speaker. The deficit, though still too high, has been reduced by half in relation to the national revenue. Inflation has been brought down to a level equivalent to about half of the average rate in the 1974–1984 period.

However, to help our country overcome its current problems and achieve a long-lasting prosperity, we must work harder to put our public finance on a sound basis. The economic recovery plan suggests basic and decisive measures to that end—and, Madam Speaker, I am pleased to mention them: the capping of wage increases for members of Parliament and federal civil servants over the next four years; the extension until 1994–1995 of the expenditures control plan established last year with a view to bringing the deficit down to $6 billion from a level of $40 billion it reached when we came into office, Madam Speaker; the adoption of legislative measures setting absolute caps to the federal government programs expenditures over the next five years.

Unbelievably, Madam Speaker, this is the only government in the world to legislate in order to push its economic renewal plan through.

We will use the GST surplus, among other things, to better control the federal debt. That is unprecedented in this country. Under this legislation, GST revenues will be allocated only to reduce the runaway debt, and not for new expenditures as the Liberal Party and the New Democratic Party ask us to do repeatedly.

With these measures, Madam Speaker, we will achieve real progress. For 1990–1991 and the next fiscal year, our deficit will stay at $30.5 billion, despite recession-related problems. We could well have had a $35 billion deficit because of this recession, but thanks to the government expenditure control program, the deficit stayed at $30 billion.

Then, in 1992–1993, the deficit should fall considerably and drop to $24 billion, and then fall, three years later in 1995–1996, to its lowest level in 20 years, $6.5 billion. For the first time in 25 years, the federal government will have no new loan to incur at that time.

What we have to deal seriously with is the credibility of our goals for deficit reduction and debt control. From 1985 to 1990, Madam Speaker, our annual projections for the Gross Domestic Product growth, the inflation, the unemployment rate and the interest rate have always been quite accurate, compared to forecasts made by 14 private organizations.

In fact, a recent study published in the Quarterly Economic Review, from the Department of Finance, shows that over the entire 1985 to 1990 period, our global forecasts have been the most accurate. So, we should really look forward to 1995 with confidence.

At the same time, we consider ourselves realistic when we say that the deficit will drop to $24 billion by 1992–93. It is easy to understand, Madam Speaker. We will no longer have to support the transitional costs for the GST, which will represent a $2 billion savings. Obviously, there will not be another war in the Persian Gulf. The expenditure control plan will help with further savings since we are keeping increases in expenditures by departments to a bare minimum. The increase is not to exceed 3 per cent.

There have been years, particularly under Marc Lalonde as Minister of Finance, when expenditures increased at a rate of between 15 and 19 per cent a year. That was quite an achievement. The decrease in interest rates will also reduce debt charges. It has already started to do so. The economic recovery will help reduce unemployment payments and increase government revenues.

In turn, this large reduction of the deficit, combined with the recovery of the national economy, will favour a reduction of the debt in proportion to our economy for the first time since 1974–1975, when the disaster started under the government of Mr. Pierre Elliott Trudeau.

This major reorganization will mean that government revenues, combined with the sustained benefits accruing from lower interest rates and expenditure restraints legislation, will be sufficient to eliminate the need to borrow by 1994–1995, not 2020, Madam Speaker, but 1994–1995. That is in line with the goal set in the 1989 Budget in spite of all the problems encountered since. Because of higher interest rates and the recession, we did not change the date; instead, we took appropriate financial means to put our economy back on track.

I would like to point out, Madam Speaker, that all the salary restrictions we are imposing on parliamentarians as well as on the entire public service tell the Canadian people, both in the private and the public sector, what the markers should be in Canada in terms of salary increases if we are to succeed in bringing down inflation and the interest rates. We simply cannot afford to grant raises that promote inflation.

This leads me directly to the other part of our plan for economic recovery. As I said at the beginning of my speech, the result of lower interest rates translates into a reduction in inflation expectations and a change in our habits as a society. It is no wonder that, for the past decade, the countries with the lowest inflation, namely Germany and Japan, have enjoyed the lowest interest rates. The lesson is good and we should persist, Madam Speaker.

Federal expenditure control and salary restrictions are important steps in alleviating inflationary pressures. But the economic recovery plan goes even further. It sets out specific targets to bring inflation down to 2 percent by the end of 1995.

These targets will add a public dimension to reinforce and support our government's financial and monetary policies, Madam Speaker. Setting out clear and realistic targets will encourage Canadians to lower their inflation expectations and help us stabilize prices more quickly and with much less disruption.

We will make it, because these targets reaffirm and make clearer than ever before this government's commitment to price stability. With the full support of government, the Bank of Canada will make sure that these targets are achieved and the copying of expenditure will only reinforce this commitment. These measures will revive the confidence of Canadians and encourage them to change their behaviour, whether we are talking about prices set by companies, long-term contracts, negotiated wage settlements or the inflation risk premium demanded by investors. They will be less demanding when they realize that the value of their income, their investments and their savings will be maintained. That will ease the transition towards lower interest rates and strengthen the competitive position of companies and workers vis-à-vis the international competition that is invading our homes, Madam Speaker.

The economic recovery plan is more than just a commitment to economic progress and sound financial management. It is a concrete and durable strategy aimed at creating confidence in the economy and economic growth, and in the long-term prosperity and security of Canadians, on a sound foundation, a strategy initiated in 1984.

The plan for economic recovery is based on the fundamental realities of today's world. To remain competitive in the global context, countries and companies must put this at the top of their list of priorities in their policy planning process. This conviction was the driving force of the agenda for economic renewal we tabled in 1984 and the structural reforms we implemented to get rid of obstacles to industrial efficiency and to stimulate our economy and our ability to compete.

These structural reforms include deregulation in the energy and transportation sectors. All Canadians are aware of the consequences of those measures, Madam Speaker. As for measures to help the unemployed acquire new skills and obtain the training they need to find jobs and keep them in a rapidly evolving global economy, we have changed the old Liberal approach that allowed people to work a few weeks and then live off the government for the rest of the year. That is not what Canadians want. That is why we put the emphasis on training.

• (1820)

We have invested several billion dollars in training, because people change jobs more frequently than they used to, an average of every five years, so we had to make funding available to retrain Canadian workers, and we did that, Madam Speaker.

I would have liked to expand on certain statements made by the Liberals this afternoon about the financial situation of this country, which is steadily improving. The deficit was about $40 billion when we came to power, and a few years from now, it is expected to be about $25 billion. I would have liked to talk about transfers to the provinces, which have increased steadily since 1984. There is a lot of rhetoric about this particular issue, but I can say that in Quebec transfers have increased 35 per cent since 1984, and I am very proud of that.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, my colleague mentioned the national deficit, indicating that it was high when the Liberals were in power.

As the hon. member will recall, in 1983 or 1984, the debt was approximately $170 billion. Between 1984 and 1991, the accumulated debt increased to $400 billion, which it about three times the amount of the debt inherited from the Liberals.

I simply want to tell the hon. member that, if we cut government jobs and stop producing and providing services to the Canadian people, we are sure to be able to pay off the deficit and the debt within five years, more likely ten. But that it not what a sensitive government, a people-oriented government truly concerned with the social welfare, the well-being of the population, would do.

As one of my colleagues pointed out, we should not have to sell the furniture in order to pay the rent. But that is precisely what has been going on since 1984. Just think of the cuts in health care and education, of the expenditure freeze imposed upon these two areas over the next five years. That is incredible, at a time when we should be investing even more in these areas.

And what about the universality of our health system, put in jeopardy? That is incredible, especially at a time when western and even eastern countries are looking to the Canadian model. In education, the government is contemplating a bill to deal with productivity and education over the next ten years. That is a rather ambitious program. On the other hand, cuts have been ongoing ever since 1984.

As for housing cuts, this is a question of special concern to the Liberals and the Canadian people. There are presently some 230,000 homeless people throughout Quebec, Ontario, Western Canada and the North. So, cuts in housing are surely not the reasonable or logical thing to do.

The public service suffered cuts too, Mr. Speaker. Unfortunately, it was not the right area. I would have liked the government to carry out a study to find out if indeed there was a surplus.

The Acting Speaker (Mr. DeBlois): Order, please. I may remind the hon. member that this is the period for questions and comments, not for speeches.

The hon. member should either put his question or finish his comments, since other members would also like to ask questions and make comments.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I do not really want to get involved in this debate, but since the hon. member spent almost 80 per cent of his time attacking Mr. Lalonde and Mr. Trudeau and other distinguished members, I really had no choice.

So my question is this: Since recently, the tax rate here in Canada has become the highest of any western country, could the hon. member indicate what his government's intentions are regarding a national strategy to deal with matters of inequity and regional economic development across Canada?

Mr. André Harvey (Chicoutimi): Mr. Speaker, I knew the old Liberals weren't very good at figures, but I didn't think the new ones were as bad. I repeat, Mr. Speaker, that they are hardly in a position to accuse us of being unable to control government spending. If you don't have the figures, if all you have is a ball park figure, I have them. This afternoon, I took the trouble to go to the Department of Finance and ask for them. Your old friends MacEachen and Lalonde were there in 1981–82, when the deficit was $15 billion. A year later, it was $29 billion! Not bad, a 100 per cent increase in one year.

You asked me if we have acted responsibly. Yes, we have, because since we came to power in 1984, the deficit started to go down and it will continue to do so, because two or three years from now, we hope to bring the deficit down to zero and have a balanced budget, Mr. Speaker. And what about transfers to the provinces? They don't have the figures either. They say whatever they like, because they never have the figures. I have them, Mr. Speaker, and I can table them. These are some very recent figures on transfers to the provinces. I can give them the figures on established programs financing, for example. I can give them the figures on equalization; I can give them the figures on the Canada Assistance Plan. This is an area that concerns health care, education, welfare and in fact any sector where there is a transfer of funds. I can tell you there has been no reduction in funding in any of these sectors. In fact, there has been an annual increase in funding of nearly 6 per cent since 1984.

However, as a responsible government, our message to the provincial governments is to ask them to try and cut spending and rationalize costs in areas where they have full jurisdiction, even if we do participate in the costs. As for regional development, I would ask you to analyze carefully all the agencies that were created in the West, the Maritimes and also in Quebec, where in co-operation with the government of Quebec, we spend several hundred million a year on development in peripheral regions, something the Liberals never did. Funding for specific programs has been frozen, Mr. Speaker, espe-

cially in my region, but with the co-operation of the Government of Quebec we are able to deliver the goods.

Mr. Speaker, I would have liked to continue in this vein, but we will have a chance to get back to this.

The Acting Speaker (Mr. DeBlois): The hon. member for Abitibi, very briefly.

Mr. Guy Saint-Julien (Abitibi): I would like to comment and ask a question about the Liberals who were talking about the financial situation. Mr. Speaker, if we go back to 1983-84, in January 1984, Marc Lalonde introduced the Scientific Research Tax Credit. He said that this innovative measure to encourage private research would cost the government about $100 million a year. It ended up costing $200 million! They passed the $100 million mark on the very first day. It was a mad rush, because this turned out to be a stupendous tax loophole. Companies, big brokerage firms and big law firms went on a roll, at the expense of the Canadian taxpayer. They made millions risk free, even before the actual scientific research started, and then there were the others, the people who committed fraud.

Mr. Speaker, an item in L'Actualité said it was the robbery of the century, perpetrated by the Liberal government. In fact, Conservative minister Michael Wilson had to put on the brakes in a hurry. It was his first official act, but it was already too late. In nine months the bill went up to nearly $3 billion, one-tenth of the national deficit. This is enough to build 50 hospitals in Canada.

My question is this: Could the hon. member for Chicoutimi tell us this evening whether this disastrous Liberal program, implemented in 1983-84, contributed to the federal deficit?

• (1830)

Mr. André Harvey (Chicoutimi): Thank you, Mr. Speaker, and allow me to thank the hon. member for Abitibi who does a tremendous job for his constituents and is very much involved in all the issues. He works very hard every day for the people in his riding.

I can inform the hon. member that this was the Lalonde shortfall: an extra $3 billion of federal debt, Mr. Speaker. That was the kind of disaster, the kind of neglect the Liberals institutionalized. The day before the budget, it was discovered that they would cut $200 million, but so what, millions or billions, the Liberals were not particularly concerned. That is why we needed a more responsible government to get on with the job.

Regarding research and development, I would like to point out that our strategy is to help small businesses, not to throw money at the multinationals for research but strictly as an incentive to do research. We give up to 100 per cent of the funding allocated to research and development. This is good for the Canadian economy, because we are convinced that people in the business—small businesses and company owners—will do research in advanced areas that are more likely to create jobs.

[*English*]

Mrs. Coline Campbell (South West Nova): We are here tonight to talk about the government's estimates. Having listened to my colleague across the way on the debt, I am still waiting—and have been since February—for the bill that would ensure that all those extra GST revenues would go to pay off the debt. That is what I call irresponsibility on the part of the government. It is allowing those funds to go into general revenues instead of paying off the debt. We will get the bill in September and let's see if it is retroactive to January.

This government does not know what responsibility is all about. We have had to listen to aspersions on the civil service, we have the GST against the people's will. This government does not know what responsibility is, either to the civil service or to the Canadian people.

I want to talk about two areas of irresponsibility here tonight, relating to defence and to the fisheries in an area that should not have the problems that this government has created.

We know that this government is supposedly doing a review of our defence policy, the second in four years. It cannot even plan long term. It is doing the review to determine what the goals should be for our defence policy and how the department spends its almost $12.6 billion budget in the 1991-92 Estimates that we have before us.

We have heard all sorts of rumours in the media and leaks from the Department of National Defence as to what this review will mean. It might mean base relocations, it might mean base closures, it might mean withdrawing from NATO, it might mean anything. However, it is all speculation. This government loves to play with people's speculation.

However, the government has not involved the Canadian people in deciding what the role of the Department of National Defence should be. We do not know whether it is a cost-effective review. We do not know if it is just a trial balloon to see how the Canadian people will react.

Canadians want a review, they want to know how this government plans to spend the almost $12.6 billion budget. They want to know where our defence policy is going to be in the next 20 years and what purpose Canadians think the military should serve for Canada. In other words, they want a review process that is going to be open, fair and responsible.

To date they have not seen this. They want to see that they are getting the best bang for their dollars, and to date they have not seen that.

In the United States, where a similar process appears to be going on, the elected people are going to the people to see what the effects are and what the defence policies should be. Not here in Canada. We do it by speculation in the press.

There are a number of areas where money could be saved or reallocated without cutting our military muscle. Indeed, I think we could save enough to reverse the trend and actually start building up our military again.

Let us look at these figures. A March 1988 survey in *Armed Forces International* ranked Canada highest among all western nations with a ratio of 16.2 generals for every 10,000 active duty personnel. At that time, I think the active duty personnel in Canada was roughly about 80,000 to 85,000 people.

That ratio of 16.2 generals for every 10,000 active personnel is higher than the United States. It is higher than the United Kingdom and it is even higher than the Philippines. Donald Grant, in *The Globe and Mail* on May 27, had an excellent review of this point. He said: "In 1990–91 we had 122 people with a rank"—in Canada, not somewhere else—"of Brigadier General or higher. They had average salaries ranging from $94,000 to $131,000 per year".

He said that we have more generals than we have tanks, 122 generals to 113 tanks. That is okay, it is important to have a back-up general in case one of the tanks breaks down.

We have more officers than we have privates, 16,096 privates to 18,861 officers. To top it off, Donald Grant—and I thank him for his analysis because he writes on military affairs and he is in *The Globe and Mail* and if he is in *The Globe and Mail* it has to be real—writes that the almost $12.6 billion budget for defence supports only 10,000 service people who are combat ready or who support combat ready troops.

Mr. Grant has described our Armed Forces system as a triumph of bureaucracy over common sense. I agree that this government is allowing this to continue. As long as we do not have a public and fair debate across Canada on what our military should be we will continue to have a top heavy military, a top heaviness that is unmatched anywhere in the world.

I ask the minister of defence whether he is looking into this factor. Will he give us a cost effective military that is oriented toward active duty soldiers and training. Let us look at the figures in the estimates again to see where else we can find questionable spending.

In the 1990–91 estimates we find that $90.4 million was spent on other professional and special services. This is a military that is top heavy with generals already. There is no specific accounting for these services, just a figure in the column.

We also find that $21.8 million was spent on consulting services, whatever that means. It should have been defined.

Another $30.4 million was spent on contract administration. These figures alone total $182 million and none of it goes directly to putting sailors on boats, soldiers in the field or pilots in planes. In short, none of it goes to defending our country.

The Department of National Defence does not need to spend millions on consulting. Just go and ask the Canadian public what its priorities should be. Ask the generals to go to the public with their defence policy to determine whether it matches what Canadians want.

I could bring a panel of housewives from South West Nova who know how to spend their budgets better than the Department of National Defence does. I guess the minister does not see the relevance of a real public debate on national defence. I do not claim to have all the answers but I think I know what some of the right questions about our defence policy should be.

I hope the minister will look first at improving efficiencies within the existing budget before he cuts further into our military muscle.

• (1840)

I hope he will also look at the purposes of our national defence policy.

Canada is the second largest country in the world by land mass. We have a huge coastline which needs defending against commercial and military threats, to defend our jurisdiction within the 200–mile limit. We have a claim to Arctic sovereignty which is not accepted by our closest and strongest neighbour and yet we cannot control it. We did away with the Polar–8.

We have an enormous air space. We have national emergencies in which the military is needed to give a hand. We have an expertise in international peacekeeping which could soon be in great demand given the end of the cold war. However, when it came time to sending combat troops over to the Middle East we did not have enough.

These are the proper ends of a Canadian defence policy. These are the proper ends which I think all Canadians want to have a public and open discussion about.

How to put a priority on these things is what we should be debating here publicly and across Canada, but if we are to meet these needs we will have to increase what we spend directly on recruiting and training service personnel, not decrease. We will have to greatly increase the size of our active duty service component.

The 1989 figures show that Canada ranked second to last among NATO countries, with 1 per cent of the labour force being defence personnel. This puts us behind Greece, Belgium, Turkey and even Portugal.

Looking at NATO, Greece's defence personnel as a percentage of its labour force is 5.6 per cent. Canada's is 1 per cent. It is at the bottom, except for Luxemburg which is pretty close to Canada with 0.9 per cent. We have the biggest country in that group of NATO countries and we cannot come up: Greece, Turkey, Belgium, France, the United States, Portugal, The Netherlands, Italy, Norway, Germany, Spain, the United Kingdom, Denmark and then Canada and Luxemburg. The average for those NATO countries is 2.5 per cent.

It means that we need to have more people in our Armed Forces, not cut back as seems to be the remedy of the top–heavy generals as they are looking at it, rather than looking at a realistic approach of a $12.6 billion budget.

We have to protect our sovereignty. We do not need to disgrace the role of our trained seamen and our other forces with not having the ability to have backup. When it came to sending the three ships over to the Middle East, they had to be trained on the way over. Fortunately, the equipment had been sitting around waiting for a contract, which is still not complete, to put that equipment on and they had to be trained on the way over. That does not seem to be very logical training.

Before I move to fisheries, I just want to say on that subject that I think it is most unfair of this government to allow speculation to be part of its review process in the department of defence policy. It is unfair to Canadians who want a full and public debate about the objectives of our defence policy. It is unfair to the military personnel who have served Canada so well and it is unfair to the many Canadians who directly and indirectly depend on the military.

I think Canada wants a military it can be proud of, one which can answer the needs as I have already said.

Now I want to move to another area, the fisheries. I want to talk about it because the question the fishing industry is asking is: what is the fairness of asking an industry which is only getting by to pay for a monitoring system of which it is not able to offset the cost? The market will not return the cost that it has to pay per pound for the monitoring system.

The boat quotas are one third of what it caught in the past. The one or two cents a pound it has to pay for the monitoring in the future are the profits it would have made.

I would hope that this minister of fisheries will last longer than his two predecessors. In two and half years we have had three ministers of fisheries. It shows how bad the fisheries policy is. I would hope that this minister, who has been asked to meet with all parties involved in the industry, big and small, large companies, small companies, big fishermen, small fishermen, inshore and offshore, will discuss the stupidity of this policy. He has not met yet. It is a most important issue. We saw what happened in Newfoundland.

Right now, in the Scotia Fundy, he has not even appointed someone in his office to whom they can talk. He has no assistant responsible for the Scotia Fundy. How is he going to deal with a problem when there is not even somebody within his office for the people to talk to, to ask him to come and deal with it, let alone for me, as a member of Parliament, who asked him since the beginning if we could have a meeting? I have given up asking for that meeting.

I want to explain the system of dockside monitoring which I have been talking about. This system is being implemented in Scotia Fundy by an employment program from manpower. It is now training 133 new people, but not for the Department of Fisheries. These fishermen and these companies will have to pay in the future to have somebody come down and monitor and weigh their catches.

I will get to where it is coming from. The industry did not ask for this. I want to explain what happened just this Sunday in one small harbour. A boat was coming from George's Bank. Think of a 65-foot dragger coming from George's Bank with only the 30,000 pounds of groundfish it could have because of regulations. It had probably travelled 12 hours to get there and it phones in. This is what the dockside monitoring does. You have to hail. Hail is picking up a phone which some of the small boats never had to have before. They need to have a phone system so they can phone onshore. It has to be six hours before you can land your fish. Six hours before, regardless of a storm or whatever, and you have to wait outside that dock for three hours after you get there if it is not within the full six hours.

This boat was on time. It had said it would be there at 8.30 in the morning to be weighed. Now, this is Sunday. The boats cannot tell when they are going to go fishing. The weather has a lot to do with whether they can go fishing in the course of a week. It had gone. It was quite warm in Nova Scotia last week. Most people would say it was one of those beautiful times when you would not want to have fish waiting in any hold because of the heat. It would start hurting the price of the fish on the market.

That does not matter to the Department of Fisheries. That is inconsequential. The boat came in with 30,000 pounds, arrived, as it had hailed and told it would be, at 8.30. Nobody was there except the company, the loaders and the unloaders for the company who were getting paid double time because it was Sunday. No one came. Finally, the owner had to get in his truck and go down the road quite a distance to get a fishery officer to come back and make sure he had the same amount in his log that he hailed six hours before. There was nobody there to check it.

I know you are giving me a signal, Mr. Speaker, but this is quite important. I want you to get the right picture. It is that additional insult to people that this minister has got to come down and take a look at.

There are two things that have to be remembered. This is a program imposed by the department to help it monitor the fish.

• (1850)

It is a program that no one goes out to fish. It does not look at it that no one would go out to fish unless there were fish to catch. I do not know any fisherman who would go out to fish if there were not fish to catch.

I do not know any fisherman who would not have abided hailing his load in, by a log book and a random inspection of his load. That department does not look at that. It has to have people go down there, look at it and weigh it.

I have one more minute, but I hope somebody in here will ask me a question on this because I could go on for quite a time on this.

On top of all that the minister has got to come down. He has got to walk around these streets. He has got to go into the restaurants and see the insult to the communities.

One of the municipalities wrote to the minister a while back:

> The Municipal Council for the District of Digby wish to object to the Fishery officers wearing sidearms, especially in public places such as banks, post offices, stores—

This minister of fisheries has a lot to learn and a short time to learn it in. The first thing he could do is start consulting with the people who want to consult with him, the people in the industry, and he is not going down there, to talk about this dockside monitoring and the threat of somebody with a gun to an innocent fisherman.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I would like to ask the hon. member a question. I would like to first point out to her that I received today a copy of the number of licences issued in 1990 by the Scotia Fundy Region for foreign vessels associated with the fishery in Nova Scotia. There were 80 factory freezer trawlers from foreign nations fishing national allocations. There were 36 large vessel licences for what it calls supporting fishing fleets. There were 18 foreign vessels fishing and doing research work with no observers aboard. There were 48 special fishing factory freezer trawler licences to foreign vessels, a total of 249.

I also received, and the hon. member would be interested, what they call a herring by-catch licence amendment which says: "While conducting the silver hake mackerel fishery, the vessel", in this case foreign vessel, "is permitted to take an incidental catch of herring that may not exceed 30 per cent of the total weight of mackerel".

It appears to me, and the hon. member can correct me if I am wrong, that shows an incredible favouritism toward these large foreign vessels which have Canadian licences fishing on the hon. member's coast in Nova Scotia.

I wonder if she could comment on the favouritism shown to the foreigners and the discrimination against Canadian fishermen.

Mrs. Campbell (South West Nova): I appreciate my colleague's question. I know that I share his concern as to the numbers. Just looking at that, once it got beyond 106 to the foreigners, I thought of the letter which came in today from one of my constituents. I will get back to the mackerel. In other words, they could catch all the mackerel and still catch 30 per cent more herring. I would think that every person in my riding who relies on the herring industry should be very upset and, as the hon. member knows, we have quite a good herring fishery.

I want to just say something about those. After I did 80 factory fishery ships and 36 large vessels, I gave up counting because in this letter I received dated June 10, it talked about boat quotas. In 1990, the same year the hon. member is talking about for all these foreign ships, of the 105 C-1 specialists, and I am sure that my colleagues know what a C-1 specialist is, it is a 45 foot boat, around 50 per cent of the 105 were independent. Now six months into boat quotas for 1991, there is only 10 per cent left.

You tell me how you can explain to somebody that you can have only 10 per cent of C-1 specialists left when there used to be 105. You are telling me that there are about 165 foreign licences fishing where these boats used to fish. What is the sense of the policy?

I do not want to go into that. The reason for this is that these licence holders received very low boat quotas. The quota was less than 150,000 pounds per licence. I want to say that those 36 large vessels are on a by-catch. Their by-catch in the groundfish will be more than the 150,000 pounds. The boat quota went to these people.

It is sad to think that we have come to this point, that we give to foreigners and do not allow the people in our area to fish within our own waters. It is sad to think that we cannot have a policy from the Minister of Fisheries that would answer the people, and a minister who would look at the policy and say: "This is crazy."

I am hoping that the Minister of Fisheries, who comes from Newfoundland, is going to be able to say it. Certainly, the other two could not, and they got kicked out of that position.

When you have a policy that gives more off-shore quota in a by-catch—we do not have a marketing policy to market the fish—to those foreigners who come over here, there is something wrong with Canada.

It goes back to the responsibleness of this government, a government that will not listen to our own Canadians. It will listen to the Americans.

I kind of laughed this afternoon when the Minister Responsible for Constitutional Affairs quoted an American in answer to my leader. The Americans are the only people this government listens to. Maybe he would listen to an American in the quote. The government does not want to listen to Canadians.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to congratulate the hon. member for South West Nova on such a fine presentation.

I would like to take note of the comments that she made at the beginning of her speech with respect to the defence policy, the military budget and the importance of the Canadian Forces Base Cornwallis which happens to be in her riding.

Mr. Speaker, if you will give me a couple of minutes, I will use that base and relate it to defence policy in such a manner as to let you and the House know why we do have concerns about the policies and where they are going.

Right now, Canadian Forces Base Cornwallis is the training base for anglophones in the Canadian Armed Forces. It has been that way since World War II. I do not have to tell you what the impact of the economy is for a base that size. It is a major base.

Roughly eight months ago, the hon. member discussed with me the possibility, the likelihood and the rumours of the base closing. My response was: "We do not have to worry about that yet, because we do not have a defence policy."

Until we do get a defence policy, I do not imagine that there will be any additional bases closed to the ones that were closed in 1989. Mr. Speaker, I hope I am still right, and so does the hon. member.

Now I am hearing all kinds of spurious rumours about Cornwallis. Cornwallis happens to be the one because it relates to the hon. member, but there is CFB Calgary, CFB Shilo, CFB this and CFB that. This is not the way to run a defence policy. This is not the way to run a country.

You have military bases there and first of all, those people in the military get terribly upset, insecure and over wrought by those rumours. I do not want to bring the gulf into it but quite frankly, I think they deserve better than that.

You are always going to have rumours in government, but I do not see this government putting any filter on the rumour. I do not see it squashing the rumour, and I do not really hear much talk about a defence policy.

My point here is really on question and comment. I would ask the hon. member to respond to this. If she believes that there will be a defence policy, before the announcements of everything that is going to happen that have been rumoured for the last three or four months, what impact will this have on her riding right now and in the future?

• (1900)

Mrs. Campbell (South West Nova): Mr. Speaker, I would like to thank the hon. member, the defence critic for the Liberal Party, who has done a very fine job. South West Nova did have CFB Barrington at one time but then the boundaries were shifted. I know what it was like for Barrington to lose that. We have Greenwood and the spinoff. CFB Cornwallis is in an area that services perhaps 20,000 people. Its workforce I would say probably gives to that area directly and indirectly in economic spinoffs 30 per cent to 40 per cent of the local economy.

The reason I am saying that is because we used to have a fishery but the largest employer in the area is Cornwallis in Annapolis West, the riding of the Minister of Finance of Nova Scotia. It is there as well as in the part that is the spinoff into the Digby area.

I could go on, Mr. Speaker. There is a very effective committee working with officials and others in the area to see that this government is well informed and trying to take part in the public discussions that should go along with national defence policies.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, I am pleased to be able to speak in today's debate.

The motion before us offers the opportunity to review the trust of the economic policies followed by our government over a number of years and extended in the budget measures of February 1991.

It is important in approaching this debate to be very clear as to just what the subject is. It is certainly not the details of the program spending of certain departments and in the case of Motion No. 2, specifically, the program spending of the Department of Finance.

The items in the estimates to which objection has been taken are those which concern primarily the development of economic policy, not specific areas such as taxation or federal–provincial transfers, but economic policy generally and as a whole.

It is therefore a real pleasure to participate in the debate because I can take some time to reflect on our government's approach to the economy in the broadest sense possible. To do this I want to start at the beginning. For the government, that was the state of the economy

and the government's finances when we took office in late 1984.

We all remember the recession of the early 1980s with the extremely high interest rates and inflation, the loss of jobs, and the unwillingness or the inability of the government of the day to take effective action to deal with the underlying problems of the economy.

The government came to office determined to deal with those problems, to make our business more competitive and our economy more efficient. I remember well the extremely difficult state of the government's own finances. Program spending by the government had risen to 19.6 per cent of the GDP in 1984–85, compared with an average of 17.7 per cent in the 1970s. Of course that does not take into account the money which had to be spent on servicing the growing public debt.

Our revenues and expenditures were so out of balance that the revenues did not even pay for the program spending, much less meet the requirement to pay interest on the public debt.

The deficit for the 1984–85 fiscal year turned out to be $38.5 billion or 8.7 per cent of the GDP. This was an enormous amount of money and evidence of a profound malaise in the nation's finances.

In 1984 the debt was growing at an annual rate of about 25 per cent. In approaching the situation the government did not allow itself to be panicked into hasty, piecemeal action. We did not start throwing money at every problem, hoping that somehow it would go away. We recognized that there had to be order and clear guidelines.

Having taken the necessary time, the then Minister of Finance came to this House and the people of Canada with an agenda for economic renewal. This was in November 1984. In it he set out the principles which underline the actions taken ever since that time and which still form the basis of our policies today.

That agenda clearly pointed to the need to restore competitiveness in our economy and order to the government's finances. In formulating policy and developing measures, those two imperatives have been constantly in the government's mind. They have shaped the way we have approached problems and have enabled us to make difficult and unpopular decisions, knowing at all times that they were part of an over–all plan to do what had to be done for Canada.

Now I want to go over, very briefly, the key measures and the policy which have marked the years since 1984, years in which there has been great economic progress made by individuals, the government and the country as a whole.

Our policies have dramatically expanded the economy's potential to grow and create wealth. This is the result of consistent, comprehensive action by this government to bring our national deficit under control and to free the private sector from structural barriers and burdens that impeded its efficiency and its ability to compete.

One important goal is to preserve and create jobs. To do this we must be competitive. One of the prerequisites to ensuring our competitiveness is a stable and healthy economic environment that encourages productive business investment. That is why the overriding agenda of this government since 1984 has been to create a more favourable economic environment for business by taking action in the two areas where we have a direct impact on the economy and where we can achieve the greatest long–term benefit.

• (1910)

The first of these areas has been to take action to reduce the deficit. Fiscal soundness is a key to our competitiveness because it will free up domestic savings needed to finance the deficit. These savings can then be channelled into more productive investments creating a more efficient and more vibrant economy.

We have made significant progress in this regard. We have cut waste and inefficiency in the operations of government. We have been successful in forcing the federal government to live within its means, especially on the operating side. A full 70 per cent of this progress results from expenditure restraint and not from revenue increases.

Success in restraining spending will help to make the economy more competitive and create a climate appropriate to economic growth. It will provide more savings for productive investment and create wealth and jobs for Canadians. It will, in short, make the economy more competitive.

Along with our work to control government spending we have also moved to strengthen the ability of the private sector to compete and create a bigger economic pie for all Canadians. We began by transforming a chilly investment barrier into a positive screening and review mechanism, Investment Canada. Investment Canada is now fostering a friendly, receptive and helpful investment climate.

We have also moved to strengthen and improve the climate for free enterprise through new business framework legislation that safeguards fair competition. The new Competition Act is providing long overdue stability to the competitive environment. Similarly, amendments to the Patent Act strengthen intellectual property rights, which for a long time had been asked for.

To encourage a more dynamic and active private sector, we have been overhauling and reforming much of Canada's regulatory framework. Wherever possible we are eliminating unnecessary restrictions and discouraging new regulations that are not necessary.

Perhaps most dramatic has been our deregulation of the energy and the transportation sectors which permitted a more market-oriented and market-driven approach.

Measures of reform of the financial sector have also been presented to this House. Our policies to reform this sector will ensure that it remains healthy and competitive. In doing so we are building on one of the most sound and reliable financial systems in the world.

We have a strong deposit-taking system, we have a strong capital market, we have world-scale life insurance companies. We possess the ability to finance our capital requirements in a very effective and efficient way.

Another important way in which we are reducing the government's role in the economy is by selling government-owned corporations to private interests.

Since 1984 we have privatized more than 20 Crown corporations. We will continue to privatize Crown corporations and we will sell investments where government ownership is no longer needed to meet the public policy objectives.

At the same time, we have promoted economic growth through a variety of means to encourage business. We have also taken steps to stimulate greater private sector research and development. Next to Australia, Canada provides for the most favourable tax treatment for research and development expenditures in the industrialized world.

To be competitive in today's information intensive economy requires a skilled and a flexible workforce. That is why we have put forward a proposed labour force development strategy. This strategy, which has been before the Senate for almost a year, places a strong new emphasis on worker retraining and upgrading of skills. The strategy provides for increased federal funding for labour force upgrading and seeks ways to encourage the private sector to double its training effort.

Central to our government's efforts to build a stronger more competitive economy, with greater potential for economic growth, is the Canada-U.S. Free Trade Agreement. As Canada depends on trade for 30 per cent of our Gross Domestic Product it is vital that we secure access to our largest and most important trading partner. Gaining broad secure access to a large American market means additional sales and more jobs.

It means greater productivity. It encourages investment in world-scale plants and state of the art technology to meet the international competitive challenge. It allows greater economies of scale and specialization. That means increased economic growth.

Together with the U.S. and Mexico we are now looking forward to a North American free trade agreement. A trilateral accord would transform a free trade area of nearly 275 million people into one of almost 360 million, larger than the 12 countries of the European Community.

Trade liberalization has been a key element of our economic success. That is why we will continue to take an aggressive approach in pursuing opportunities to secure and expand access to our most important markets.

If we are to have a healthy growing economy, we cannot have a tax system that distorts economic decisions and penalizes economic initiatives. Again, this is why we are committed to continuing the process of tax reform. Under our corporate and personal income tax reforms implemented in 1987 we created a tax system that is fairer, simpler and more effective. It is a system that has helped strengthen the economy and improve the quality of Canadian society. A system that is internationally competitive.

We have also moved forward on the major challenge of sales tax reform when we implemented the goods and services tax. In today's fiercely competitive global environment the GST is a vital tool for economic advance. Fifty years of studies and reports called for an end to the existing federal sales tax.

• (1920)

The former federal sales tax was antiquated and unfair, nothing less than a job killer and a growth destroyer. There is not a single industrialized country in the world today that still maintains a tax like ours at the manufacturing level.

In its place we have developed the GST, a modern efficient tax of a kind that has been adopted by 48 other countries. It eliminates completely the hidden burden of tax that previously applied to so many goods and service businesses. It ensures that imported goods no longer receive an unfair advantage over those we produce at home. It will strengthen the ability of our exporters to profitably pursue international markets. At the same time, because of the refundable GST credit, it will also be a fairer tax for lower and modest income Canadians. In fact, three-quarters of families headed by seniors or single parents will have more after-tax income under the GST than under the old system.

The February budget marked a further stage in the development of economic policy. In his budget speech, the Minister of Finance produced evidence that, despite a recession—and we must always remember that we are in a partial recession at this time—the policies of the government have indeed been working. He has also presented measures to strengthen and expand the effectiveness of that policy.

The plan for economic recovery has three main elements: one, clear, achievable inflation targets; two, putting the government finances firmly on a course to a balanced budget; and three, severely restraining the operations of government.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I would like to thank my colleague for an encouraging presentation. If one did not have the background knowledge about what has happened in this place for the last couple of years, I would say that we are on a pretty good track.

I do not want to belittle anything the hon. member for Wild Rose said but I do want to set the record straight on a couple of things that were mentioned. I am sure it was not intentionally out of context. However, I would like to put it in the context that I believed it was in when I heard it.

First of all, I want to go back to November 1984 and the first budget of this particular government. I think it is not conjecture or wild guessing on my part that it is fair to say that the Conservative government inherited a growing Canadian economy at the time—it was growing at 4.7 per cent, in real terms. That was really a remarkable recovery from the 1981-82 recession. As is the case today it was a recession, but it was different because it was one of the worst recessions to hit Canada since World War II. However, it did not just hit Canada, it hit the United States, it hit North America, it hit the European community, it hit the world. The parallel is not quite the same.

This one is different, at the government's own admission. This is a recession that has been made in Canada. The government even boasted about creating the circumstances which have caused the conditions in which this particular budget has been put forward. That is point number one.

The second point: I would like to again remind the hon. member about some facts and figures. We have heard them various times but I will put them in a slightly different context. When Mr. Wilson presented his first budget in November 1984 he projected a deficit of $34.5 billion. He went on to say that with this set of projections and no policy changes the deficit for the fiscal year would be $34.5 billion. He said: "This is what we inherited", and I think that was suggested by the hon. member.

Mr. Speaker, $34.5 billion is what was established at that time as the benchmark, but we know that in 1984 the deficit in fact really climbed to $38.3 billion and that has now become the benchmark. Well, that benchmark was not established by a previous government.

It has been suggested that the government has had to borrow to pay off the debt. In 1984-85 the debt was $199 billion. At the end of this fiscal year it reached $388.5 billion. Next year, of course, it is going to be more than $400 billion.

I think the point here is servicing the debt. Next year it is going to be around $419 billion as projected by the government's own figures. On the assumption that the Conservatives have no responsibility at all for the 1984-85 deficit—which may or may not be correct—Canada is now paying interest on $189 billion of debt and the next fiscal year on $220 billion of Conservative debt.

First year, second year, third year, I could understand. Blame it on the Liberal Party. But come on, guys, four years, five years, six years, seven years, is it not time to take on the responsibility? When are you going to stop?

Mrs. Feltham: Mr. Speaker, I would like to answer my hon. colleague's last question first. Perhaps inadvertently I will also answer his first question.

My hon. colleague talks about the year 1984 and a debt of $199 billion. I, as a small business owner and as someone who has always been interested in finances, can sit down and very easily understand how a deficit that was in place, or a debt that was in place in 1984 could have accumulated with the interest that has been attributed to that $199 billion, in these many years. I think it is very easy to ascertain how we are in a position of $400 billion.

What I also wanted to touch on is that this government not only inherited $199 billion in debt. If we did, I think today we would be looking at a zero debt. What we took over was not only a national debt, we took over a program deficit. We respond, as we read today in a local newspaper from a top writer who said, it was like going out and using your credit card. When you use a credit card and you purchase things, you know in the future you are going to have to pay for them.

Now we are not only trying to pay off all of the purchases that were made prior to 1984, but we still have an interest that is growing daily on those purchases. Also, I think it is very important that all sides of this House look at what we have done with this $16 billion that was in place as far as program spending. No business, no one, could possibly inherit programs and a policy in place and say that any government must continue to give the services that had been established. We could not cut back $16 billion in one year, two years or three years.

As I have said so ably—I think so—in my speech, this government came in with a pattern. We came in with a purpose and unfolded the way we are going over the years. We have stayed with that policy.

• (1930)

Today we feel very confident because at this stage we now have the money in place to look after the programs. We are also putting some money each year towards the debt. This is a remarkable challenge and I think we have handled it very well.

Mr. Howard McCurdy (Windsor—St. Clair): I would like to say that the hon. member has as I see, given great enthusiasm to her colleagues across the way with a nice reading of her speech. I heard her talk about the advantages of privatization, among other things, and I would like to ask a question about deregulation and its great advantages.

I was wondering whether she could provide what she sees to be the advantages in the sale of de Havilland to Boeing. The government paid Boeing substantially to take it off its hands and is now about to sell this privatized company to a government consortium involving a French company and an Italian company.

In other words, we have sold our own aeroplane manufacturer, via the United States, to the Europeans. That of course means a sale of the Dash-8 to the makers of the ATR commuter plane.

Now the EEC executive has said that this might be a non-competitive arrangement.

I am just wondering if we could have a brief description of the advantages of this sale. What advantages are going to accrue to the workers and research and development in Canada and what is going to happen if the European community executive re-examination leads to a rejection of the sale as unfairly limiting competition.

Mrs. Feltham Mr. Speaker, my colleague has asked me a question on which he has evidently gathered a lot more information and a different version than what I have.

I have not seen the figures that he is talking about and if they do exist, again they are open to interpretation. However I would like to say to the hon. colleague that when the NDP forms the government, maybe they will be able to give us some points on how to sell off our privatized items.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I am glad to be able to contribute my few comments to the debate tonight.

I would like to try to frame my comments about the government spending priorities, which of course is the issue that we are discussing. I would like to try to frame those comments in the concept of community values.

I hope to be able to demonstrate that when you look at the spending priorities as determined by the estimates of this government, you can demonstrate that this government really does not understand nor does it really care about community and about community values.

What does it mean, first of all, to care about community? What does community really mean? First of all, it means supporting the corner store in your neighbourhood where your children might go in the morning in the summer to buy a popsicle. It means hoping to make the kinds of policies and programs at the federal level that will ensure that that corner store can remain viable. That it does not go out of business because you are choking it with red tape and extra taxes and taking any of the ability away from that individual entrepreneur to make a living in that community.

What does community mean? It means supporting your local RCMP services. It means ensuring that the funding for adequate policing is there in all our communities so that the officers have the budget and the manpower or the person power, if you like, the staffing, to ensure that they can get out into the community. That they have enough officers available to respond to the emergency needs that arise, but also to be out in the community, walking the streets, talking to the people, to have a demonstrated presence, a physical presence of local policing services. I will get back to the RCMP a little bit later. They are a very visible aspect of our Canadian identity, right there at the local community level, whether you are talking about a small community in the Maritimes or a small community in my riding of Okanagan—Shuswap. The presence of the RCMP is a visible aspect of our sense of Canadianism.

Community means supporting our local community newspapers, through the provision of the kinds of subsidy programs that have been made available to them so that they can ensure the mailing costs are not so staggeringly high that it puts them out of business. Until recently we had a reasonable program, I think, of helping those community newspapers, and the government is wont to eliminate those subsidies. Thankfully it has now backed off on that for the next little while, so that many of the newspapers that were looking at a very, very bleak future indeed, have at least got some breathing space. The members and my colleagues on this side hope to be able to convince the government that taking away those programs of subsidies to the community newspapers is going to harm communities throughout Canada.

Community values also means supporting your rural post offices, making sure that they remain a part of the community. In many small areas throughout British Columbia, and I am sure many other provinces, people in the small rural communities meet on a regular basis at the local post office. That is almost the hub, the social centre if you like, of the day-to-day business of the community. People meet there, pick up their mail, pick up their parcels, they chat about what the weather is today, they might talk about what is happening around them. It is a social centre for the community. And this government has shown that it does not understand that sense of community, because it wants to take those rural post offices away, as it has. I think over 500 to 600 of them have now been closed. If the government has its way virtually every rural retail outlet across Canada will be shut down. And that centre, the heartbeat of the community, will be taken away from those people, and the service will be contracted out to various retail operations.

That demonstrates to me, and it certainly demonstrates to my friends and colleagues in Enderby and Sicamous and Salmon Arm and up in Celista in the north Shuswap, and Sorrento, in areas like Lumby, like Falkland, those small communities, that this government simply doesn't understand the sense of community.

Supporting community and community values also means programs for regional job creation, retraining of people who have been put out of work by the fiscal and monetary mistakes that this government has made over the past years. It means getting those people back into the workforce, back into the employment stream, to give them a sense of pride and meaning. That is what community is—regional job creation programs for the forestry workers and the mill workers who have been put out of work in my community, up in the area of Canoe and Sicamous and Salmon Arm. Unemployment levels in some of those small communities unbelievably reach upward to 40 per cent. I am speaking in particular of the community of Sicamous and Malakwa. Those people have been out of work since before Christmas.

Why? Well, it is because of some of the fiscal priorities that this government has set. I will talk about those in a little while and get back to them.

But supporting community and community values means finding a way of getting those people back to work, and it is something that this government, for whatever reason, simply does not understand. Community means making sure that our young people in the interior of British Columbia do not have to leave the towns in which they grew up in order to find a job. It means they can obtain the training in job training programs and post-secondary education programs that should be available to them so they do not have to leave and go to the larger urban centres such as Vancouver or Edmonton, or wherever, so there is not this migration of young talent out of our rural communities into our urban centres.

• (1940)

That is what supporting community means, allowing our young people to stay in the communities that they grew up in so they can take pride in that community, feel a part of that community, and work for their own future within that community.

A Mulroney vision, this government's vision, is not one which reflects community values. It is not one which, I might hasten to say, Canadians share. This government's vision of Canada and the future of this country enshrines what you could only describe as being the corporate agenda where success is measured in monetary terms rather than in social and socio-economic terms.

Canada is much more than the bottom line on a corporate balance sheet and what is good for Bay Street and what is good for the fat cats here in Ottawa is not necessarily what is good for the rest of Canada and the people out there in the regions of Canada understand when I speak those words because they know it right in their guts that the people, the system, here in Ottawa does not reflect their aspirations. It does not reflect their priorities. It does not reflect their sense of community and what this country means to them. That is why this government is headed hell-bent to defeat in the next election.

The policies dreamed up by this administration in the smoky back rooms of the Langevin Block across the street, the policies dreamed up by the backroom boys of this government do not reflect the goals, they do not reflect the aspirations, they do not reflect the concerns of average Canadian people, whether you are talking about a small community in British Columbia or a small community in Labrador.

It has been more than 50 years, almost 60 years now, since the social democratic movement in Canada was born. It was born out of the politics of that kind of alienation. There was a fundamental dislike and distrust back then in the early 1930s of the elitist powers of Ottawa and the Bay Street fat cats. That movement way back in the 1930s formed in the tough times of the 1930s by a coalition of western farmers, western workers, Canadians from virtually all walks of life because they cared about their community, the future of their community, the future of their province, the future of the regions. They recognized that this country was being run by an elitist group for its own self-aggrandizement. They said back then that it had to stop.

Fifty years later we are still fighting that battle. We are still fighting the tendency toward a central Canada fixation where the people who are making the decisions in this country do so on the basis of what is best for central Canada rather than what is best for Canada as a whole.

The social democratic movement way back then had a simple principle upon which it was established. That principle was that this country should be run for the benefit of everyone, not just the benefit of an elite few.

The social democratic movement, under the old CCF, now under the New Democratic Party, never had the opportunity to form a national government in Canada but I want to say also that throughout the years, this traditional reform movement, if you want to put it that way, has played a pivotal and crucial role in enhancing community values. It has pressed the governments of the day to implement programs of real social and economic reform.

I want to say that the New Democratic movement, the old CCF and now the New Democratic movement in Canada has been the real movement of social reform in Canada. We have been the pioneers in advocating progressive programs like public health care—

An hon. member: What are you talking about?

Mr. MacWilliam: You know very well, sir, what I am talking about. Just look back at M.J. Coldwell, just look back at Tommy Douglas. You know very well that those were the voices of concern for social democratic principles in Canada. They were the ones who pressed for public health care. They were the ones who pressed for old age pensions. They were the ones who pressed for equality rights in Canada and the protection of workers in this country. These were programs that recognized and stressed the value of community.

Those same programs that were fought for long and hard over the years have now been jeopardized by this administration and this government which has no sense of what community means.

I must be twitching a nerve over there. The rhetoric is getting heated indeed.

An hon. member: You woke up the member from Cariboo—Chilcotin.

Mr. MacWilliam: At long last, they have wakened up to the reality.

One look at the spending estimates and the fiscal priorities of this government demonstrates to me, very, very clearly, that this government does not care about community. This government does not care about the erosion of a first-class health care program in Canada. It does not care about the increased burden and the increased cost to post-secondary education that our students are having to bear more and more.

It does not care about the scientific community. Just look at the amount of research and development that is going on in this country compared to the GNP. It is a disaster. Canada, one of the OECD nations, has one of the lowest priorities for research and development. That is why our scientists are leaving. That is why we have a brain drain of scientific and academic talent from this country.

This government does not understand the need to support basic research and development, the need to support the academic and scientific communities in Canada. That is why we have got such a difficult problem ahead of us.

The government wants us to be competitive on the international market. I heard the member, who spoke before me, talk time and time again about the need to be competitive. Well, you cannot have a competitive society if you do not have trained people. The only way you can train those people is by providing them with a sound education.

An hon. member: And all you have got to do is look over there and see how much it hurts.

Mr. MacWilliam: Oh it is hurting indeed. Look, they are leaving already, they cannot stand it any longer.

This government also does not care about our cultural community. Look at the cuts to the CBC, $108 million. They rolled over and played dead. When the CBC board of directors came to them and said: "We are short $108 million, we are going to have to throw 1,100 people out on the street and we are going to have to cut 11 regional stations, help us". The government turned a deaf ear. It rolled over and yawned.

The government does not care about Canada's cultural community. It has been freezing funds for our cultural community. It has been freezing funds for Telefilm Canada. It has been starving our performing artists. Do you know that the average income for an actor in Canada is $15,000 and yet this government slashed $18.1 million from the cultural sector, on the ground program delivery funding. Cut it, slashed it, killed it, and, at the same time, it awarded its own bureaucracy in the Department of Communications a 13 per cent increase, $41 million. Is that talking about community priorities? It does not understand the cultural community. It does not understand the scientific community.

I said I would come back to the question of the RCMP. It will give you a good example of what I am talking about.

• (1950)

Last year this government cut $19.4 million from the RCMP, supposedly to help pay for the cost of the gulf war. That cost British Columbia $4.1 million in funding for the B.C. region of the RCMP. As a result of that it had to trim programs. That meant it had to cut or close RCMP detachments in many smaller communities throughout British Columbia.

In my own constituency, Falkland, Enderby and the community of Lumby, three smaller communities, had their detachments closed. The administration centralized into a larger community. Why? Because it did not have the money to spend to do the job it had to do. That is what happens to small communities when you start to withdraw the necessary funding required to put those programs on the ground.

The former Solicitor General came to the conclusion: "Gosh, it worked so well when we cut $19.4 million, let us try and redo the contracts because they are expiring on March 31 and we will withdraw 5 per cent of the funding and put that 5 per cent on to the backs of the province and on to the backs of the municipalities". That 5 per cent cut-back federally meant that small communities throughout British Columbia, communities like Vernon and Salmon Arm, would have to bear from 10 to 25 per cent increases in their local tax base in order to keep their police force. Does that give any indication that this government knows anything at all about the sense of community values?

Post office closures. I talked about that before. This government has closed hundreds of post offices. One of the largest rural closures is in the town of Enderby which also got nailed by the RCMP cutbacks. The community of Enderby is really wondering just what this government is up to. It feels completely and totally abandoned. It has lost its post office and its RCMP services. Is it any wonder it asks: "What the devil is going on in Ottawa"?

Mr. Speaker, I do not know if the signal there was a time indication. I wonder if you could give me some indication as to the time I have left, if there is time. I was not sure if you were signalling to me or just scratching your ear.

I see that my time is up. If I could just summarize. The best way to summarize exactly what I have been saying, and I do not very often quote Proverbs, but I think it is a very appropriate quote in this case. That quote simply says, and I refer to this government: "They have no vision, and when there is no vision, the people perish".

Some hon. members: Hear, hear.

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, my NDP colleague just made some general points which I think are very easy to reverse. He wants more expenditures. He does not want to pay any kind of taxes. He does not want to reimburse the national debt. Even the convenience stores in this country cannot work that way.

There is one thing he said about the CBC; $1.4 billion a year. That is the expenditures the Canadian taxpayers are paying, $1.4 billion per year. Look at the ratings of CBC Radio in St. John's, Newfoundland. Seventy-five per cent of Canadians living in St. John's, Newfoundland never listen to CBC Radio. In Grand Falls, Newfoundland, 90 per cent of people living there never listen to the CBC Radio. In Toronto, 77 per cent of people there listen to the CBC Radio. In Edmonton, 89 per cent of people living there never listen to CBC Radio. In Prince Rupert, 61 per cent of the citizens there never listen to CBC Radio. The CBC and CBC Radio are very important to Canadians, but we must retain one thing. We also have private radio and TV stations in this country and these radio and TV stations never receive one dollar from the federal government.

They are there. They are very competitive. They are making good programming, but the Liberals and the NDP never talk about the private stations we have in this country which are doing very good work.

[*Translation*]

All they talk about is the CBC, Mr. Speaker. I think this is an important point. This government is spending $1.4 billion yearly for the CBC. That is a lot of money for one network considering all the other ones. I think that is very generous, that this government is giving very generously to Radio-Canada and the CBC.

My NDP colleague mentioned also, and I will conclude on that, Mr. Speaker, the Canadian health care system. He is scaring the seniors by telling them that we are destroying the system and that we will not treat them.

The fact remains that, this year, the federal and provincial governments will spend $91 billion on the national health system, or about $2,800 per person, from the infants to the seniors. That is still a fair amount of money!

The difference between the New Democratic Party and us on this side is that they want to spend more money on health while we maintain we are already spending enough in that area and that that money must be put to more efficient use.

I think that the government's solution is better than the one put forward by the NDP who want to spend more money but are not ready to rationalize.

[*English*]

Mr. Baker: Mr. Speaker, on a point of order. When an hon. member rises in this House and reads statistics from a document, he cannot just read the statistics without tabling that document or at least saying where those statistics came from.

He said that the people in Newfoundland do not listen to CBC Radio when that is the only station a lot of people can get. The hon. gentleman cannot just quote statistics which do not exist.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Would the hon. member from Saint-Maurice tell us briefly where the figures he is quoting are coming from?

Mr. Pronovost: Mr. Speaker, I have the pleasure of quoting for the benefit of the hon. member, figures from the polling firm BBM, which operated not only in Quebec and in Ontario, but also in the west and in Newfoundland. These figures are in the public domain. Any member of this House can have access to them.

The hon. member from Mount Royal has the figures for any city across Canada and she will gladly give them to him whenever convenient.

Some hon. members: Order!

Mr. Pronovost: All the hon. members have to do is to check the figures. They are available and in the public domain.

Some hon. members: Order!

Mr. Pronovost: As annoying as it may be for the Liberals, Mr. Speaker, this is a fact. It is not my fault if Canadians are not listening to CBC Radio, but it is a fact—

Some hon. members: Order!

[*English*]

Mr. McCurdy: Mr. Speaker, on a point of order. The point of order should not be deducted from my colleague's time. That was unconscionable. The response should have been to table the figures as he is supposed to according to parliamentary rules.

Mr. Soetens: Mr. Speaker, I would just like to rise in support of the last point of order because I would like to hear an answer to the very eloquent question which was put, to see if the NDP can muster one.

Mr. MacWilliam: Mr. Speaker, I would be glad to try to answer the allegations made by my colleague.

I do not know where he gets the figures, but it does show his lack of understanding of the essence of the $108 million cut. He makes the argument of the $800 million cut and the fact that nobody listened to CBC Radio here, there or the next place.

He does not know what he is talking about, because we are not talking about cuts to CBC radio. We are talking about cuts to CBC television. He is trying to build an argument about the lack of audience for CBC Radio justifying the cuts when it does not have anything to do with it.

It does not demonstrate that he does not have very much knowledge of the essence of the argument.

In terms of the member's comments regarding Canada's health care system, the member seems to fail to recognize that the cost of the health care system in the United States per capita is some 25 per cent above the cost per capita of the universal medicare system that we have here in Canada.

• (2000)

The member seems to have completely ignored the fact that the United States is now looking at Canada's medicare system as a possible model to emulate because of the fact that the unit cost, the cost of delivery for each individual in Canada, has been recognized as being so much lower for the equivalent level of care in the United States. That does not indicate to me that because we happen to have socialized medicine in Canada the cost structure has gone wild by any means. It is a very responsible program and the member simply has failed to recognize that.

Just one last point that the member made because he wanted to talk about the fact that the government cannot continue to spend, spend, spend. We are not suggesting that. We are suggesting the government maintain the spending levels that it has traditionally had in support of those programs. The problem is that the government has its tax priorities all backward. The fact is the corporate taxes in this country are now only about 14 per cent. Eighty-five per cent of the tax burden in Canada is borne

by individual taxpayers, and that is the problem. We need real tax reform in this country.

An hon. member: Hear, hear.

Mr. MacWilliam: Until we get real tax reform, we are going to have those kinds of inequities.

Mr. Dennis Mills (Broadview—Greenwood): Very briefly, I would like to say to the hon. member for Okanagan—Shuswap that I get a little troubled when I hear someone stand in this House and let on that a particular party is the only one that has values and start quoting other famous New Democrats. I would like to remind the member from the New Democratic Party that it was a New Democratic Party in Toronto that just a few months ago worked through the night to help destroy our bid for the 1996 Olympics, which would have affected jobs from coast to coast. It would have brought tourism dollars here, and there was absolutely no support from the New Democratic Party on that. So do not talk about your budget.

Mr. MacWilliam: Mr. Speaker, I do not know if you can hear me but I will try to answer the question. The member raises a point regarding recent decisions made by the provincial government in Ontario.

An hon. member: No, no, the city government.

Mr. MacWilliam: It was the city government, right. All I can say to the member is that sometimes those tough decisions have to be made.

Mr. René Soetens (Ontario): Mr. Speaker, I rise with pleasure today to participate in this particular debate on the spending estimates. It was just some months ago that I had another opportunity to rise on this debate and at that point I was fortunately able to save the taxpayers a couple of million dollars.

I do not have any immediate suggestions which will do that at this particular point in the debate, but I do want to start off with a couple of very direct comments which I think are very relevant to the debate we are facing today.

Recently, Mr. McKenna, the premier of the province of New Brunswick, made some very appropriate comments which were quoted in *The Globe and Mail* on February 28, which was about the time that the budget discussions were going on. He said: "Governments must conduct themselves like private citizens: borrow if necessary for capital assets such as a new home, but pay as you go for current expenditures like the groceries".

I thought that was a really appropriate statement by Mr. McKenna and I thought I would follow that along just to see what happened in the spending estimates which we are dealing with today and the spending estimates which we have had in the past. It is coincidental that today in *The Ottawa Citizen* there was another article which I would also like to quote. It also has very direct relevance to the debate we are involved in right now. It is an article written by Marjorie Nichols, a staff reporter for *The Ottawa Citizen* and I would like to quote from it very briefly. In the article she said: "The budgetary deficit numbers actually distort the fiscal truth. In fiscal year 1984–85, the Liberal budget deficit was $38.3 billion of which $16 billion went to pay for groceries, federal programs and salaries. In fiscal year 1991–92, by contrast, the Conservative deficit will be $30.5 billion, all of which is interest charges on the national debt."

I find it interesting that Mr. McKenna said that governments should not borrow to buy groceries—which is obviously what previous governments had been doing—and now Marjorie Nichols in response says "Isn't it great, the government isn't borrowing money to buy groceries, it is borrowing simply to pay the interest on debt"; debt going back to the early seventies and going on from there.

I appreciate the opportunity to participate in this debate, and I guess there is another series of reasons. First I want to thank the hon. parliamentary secretary for inviting me to participate in this debate with such extensive notice. It certainly gives me an opportunity to pass my notes on to you.

But what we are dealing with is, in fact, estimates that deal with about $158 billion in spending. As is typical across the way, there has just been a family squabble between the two parties and now another of the family says "peanuts" to $158 billion. Well, that is what they thought when they were spending $100 billion and now they think it is $158 billion and it is still peanuts.

Within that there are two aspects, and $111 billion of that money is in fact money that is very directly targeted for items that have been approved in previous budgets, and are ongoing expenditures year after year; the other $47 billion is in other spending programs.

Really it is these spending programs and controls that bring government expenditures totally in line. One of the things I find interesting is that last year the government tabled a document called *Where Your Tax Dollars Go* in conjunction with the budget. There is an interesting chart in this that I am sure you have had an opportunity, Mr. Speaker, to peruse. It shows the various program areas of government spending and how the government has, in fact, spent the money.

The interesting part of the chart is that section dealing with the cost of operation of government. It deals with the cost of the civil service, government travel, government advertising, the office buildings, the telephones, the paper and the cost of the operation of this place.

It shows that the government is in fact spending less in 1990–91 than it did in 1984, and that is after absorbing some 35 per cent inflationary increases. So, when you talk about spending controls of those very things that Canadians expect us to control, those things dealing with simple operation of government, I think we have done a remarkable job. I am talking about 1990–91 in this particular book, but what is more interesting is that dealing in the 1991–92 estimates we basically have frozen that cost of government. Here after six years we haven't increased the cost and in the seventh year we are not going to allow it to increase any further.

That is unfortunate in one sense, because I do have some very direct concern and sympathy for many civil servants who are affected by that particular freeze. It is unfortunate that we have to say to the employees of the Canadian government that we are sorry but we don't have 3 per cent, 6 per cent or 9 per cent salary increases to give you. This year we have no more money available than last year. That is not an easy thing to say to them. But we have to restrain expenditures and so we are doing that. Yes, it is unfortunate that they are affected, but I guess you would agree, Mr. Speaker, they are affected and we here in this House will be affected in exactly the same way. So what we are asking our employees to do, we the management—if you want to call us that—are also doing.

So I think the restraint that we are preaching is, in fact, the restraint that we can be very proud of because we are doing it right here in our own operations.

• (2010)

But it goes further than that. When we talk about spending estimates, we have to talk about a whole series of other things. I find it interesting having just listened to my colleagues opposite. They are talking about how we, the terrible Tories are doing terrible things to all of these social programs in Canada.

Of course, our contribution to many of the social programs is through transfers to provinces. I would like to talk particularly about one province, and it happens to be the province that I live in. I would like to relate it to my riding, and to the Treasurer of the province of Ontario who, of course, is a member for another riding in Ontario.

In their budget presentation, a great portion of it was a huge deficit. That deficit, I can tell you, is unacceptable to the constituents of Ontario riding as I am sure it is unacceptable to the constituents of all of the province of Ontario. What did they say in their budget presentation? They said that the Government of Canada was reducing its transfers to the province of Ontario and it was because of those reductions, to the tune of $3.4 billion, that they had a deficit as large as it was. Now, that is what they said.

I happened to have an opportunity to check this out. I noticed that in 1984–85 when we were first elected and 1990–91, the Government of Canada increased its transfers to the province of Ontario by $3.2 billion which, at an average rate, was 7.3 per cent a year. Imagine that in an inflationary time of 4 per cent to 5 per cent, the Government of Canada was increasing its transfers to the province of Ontario by 7.3 per cent. I would be hard pressed to say that the Government of Canada was dishonest or unfair to the province of Ontario by transferring it that much money.

The leader of the NDP in this House said: If we were the Government of Canada, we would spend the money just like they are doing in Ontario. That means that she would give them that $3.4 billion. I guess they feel they are short. What does that mean? It means that this year, in this year's budget, the Government of Canada would have had to increase its transfers to the province of Ontario by 42 per cent. Can you imagine that, 42 per cent. And they have the gall over there to say that is the kind of increases we should have. Yes, 42 per cent in a 5 per cent inflationary environment.

Maybe that is not what they mean. Maybe what they mean is if the government had not cut back a little bit every year for the last seven years, we would not have to give them 42 per cent in one year. Well, what does that mean? I can tell you what that means. What it means is that instead of in the last seven years increasing the transfers to the province at a rate of 7.3 per cent a year, we would have had to increase them at a rate of 14.6 per cent a year.

Now, is that not a tremendous number, 14.6 per cent a year rate of increase to the province of Ontario? I do not know where they think the money comes from, but I know my constituents are complaining about where it comes from: that trucker's strike that you all saw a few weeks back. It started at the corner of Wesley Road and Highway 401 which is right in the heart of my riding. I can tell you there are an awful lot of my constituents who are rather upset about the spending that exists at all levels of government, including this one right here, but also including the one in the province of Ontario.

When you listen to members opposite carp and cry about the rate of spending, I can tell you that the Government of Canada has nothing to be bashful about in our transfers to the province of Ontario. This year, in fact, our transfers to the province of Ontario will go up by some $220 million. Not down, but up $220 million. So when they talk about programs being devastated, it is certainly not being devastated by things that the federal government is in fact doing in the province of Ontario. It is coincidental that I have these numbers for everywhere else in Canada .I note, for example in British Columbia, that we increased transfers there at a rate of 5.6 per cent a year for the last six years. Again, this is a number that is rather substantial.

In Newfoundland, I am happy to tell you, we increased it at a rate of 7 per cent a year. Again, it is not a bad number considering a 5 per cent inflationary environment.

Having said that, we are aware that there are sacrifices that we are asking Canadians to make in this particular concept of getting our financial house in order. We just cannot ignore it any longer.

Financial management, responsible financial management, was our commitment in 1984. I was not here in the first four years so I am not going to really comment about whether it was good, bad or indifferent. What I will say is that in 1988 I stood for office and was subsequently elected in November of that year. So I am here and I can say, "all right, I might have had some input". I did have some input in the '89 budget, the '90 budget and the '91 budget. I had opportunities to do so.

I do not have a problem standing here in the House saying "I was involved in that budget. Here is the money we are spending. Here is how we are spending it." Is it perfect? Of course not. We all would like to say, "Well, we could do a little more here; we could do a little less there", but we are Conservatives. We only get 98 per cent. That is the best mark we could get.

I compare that 98 per cent to the mark I would give the NDP in Ontario and although I might be biased, I would suggest that they certainly would not get a passing mark. Maybe the hon. member from the NDP might want to get up and give a comment.

What did we do from there? In 1989 we brought in our budget which set out some medium term fiscal plans to reduce our deficit and bring an end to government borrowing in markets by 1994–95. The budget reaffirmed this plan in 1990, as it said it would in 1989, and of course, here we are in the 1991 spending estimates and we are doing that.

In 1984 the federal government was handing out $1.33 in programs and services for every dollar it collected in taxes. Can you imagine that, $1.33 for every dollar it collected. That was a real bargain for Canadians. They did not realize what kind of a bargain it was. Unfortunately, they should have all been standing up yelling and screaming in 1980, '81, '82, '83, '84, "enough of these bargains. Cut it out because we know it is not going to be a bargain in the future." Unfortunately, that is where we are now. It is no longer a bargain. No wonder Canadians are dissatisfied when for every dollar of taxes they pay, they now only get 66 cents of service.

I would be dissatisfied. If I walked into the local convenience store, the local grocery store, the local men's wear store to buy something and you put something in your hands and the guy says, "well, that will be $10." You give him $10 and he takes the scissors, cuts away $3.40 worth of it and gives it back to you and says "here is $6.60 worth of the $10 item."

That is what we are doing now with the taxes we have and that is why I am pleased that in this debate, we are talking about expenditure. That is the subject we are dealing with here and I think the government is being very responsible in controlling that expenditure so that at some point in the future when Canadians in fact walk out to spend that dollar of taxes, they will ultimately achieve a dollar of service.

That is a challenge. It is a very serious challenge, but without addressing it today and tomorrow as we did in '89, '90 and '91, it just would not work. But we are not without heart. We are not without conscience. I notice that the Minister of State for Grains and Oilseeds is here in the House. He has comments and concerns and you know, it would be really easy for me as someone from southern Ontario to simply say, "why did we have an extra $3 billion in the spending to help the farmers of Canada in their time of need?"

I know that members opposite do not want to talk about the fact that we do have concerns. We could have come in with a $27.5 billion budget deficit, but we said, no, that is an expenditure to help the farmers of Canada. I do not have a problem supporting that.

That is one area. The other area was referred to previously when we were talking about some of the areas where government spends money. There was a comment about the fact that the Government of Canada does not do its share on research and development, and we are compared to the OECD countries.

The member was right when he talked about whether Canada contributes as much in research and development as other countries. In total on a per capita basis, no, we do not, but if you take it back a little further and look at the taxpayer contribution per capita, the Government of Canada does very well, thank you very much. What is missing is the business community, the business environment. What they need, some way or another, is encouragement to do their share in research and development to make sure that the whole Canadian level of research and development is done appropriately. It is certainly not a problem of federal taxpayer dollars. The federal government is very clearly contributing in a very appropriate fashion.

• (2020)

So, where are we? Well, today with this budget, some time in mid-year, our total debt will reach $400 billion, which is about $15,000 for every man, woman and child in Canada. The interest alone on that debt will be about $43 billion.

It happens that last Monday or Tuesday I had a school group here from Bayview Public School from the town of Pickering, in my riding. There were about 40 of them from grade 8. I asked them: "Are you kids aware that each one of you has a debt of about $15,000"? They kind of looked at me and said: "No. Why do I have a debt? I do not have a debt". I said to them: "Well, you do have a debt, because we, your parents, are spending money on things, some of which you take advantage of, but we are spending money faster than we are willing to pay for the services we are providing". The kids kind of looked at me and said: "Well, is that not your role then, Mr. Soetens. Is it not your role to make sure that we do not spend money faster than we should so the debt does not go up"? I said to these students, "Yes, certainly, partially, it is my role". That is why, in 1988 when I was elected, the major item in my campaign was my comment that if I was elected I would do my utmost to make sure that the Government of Canada restricted its spending, held its spending in line so that we reduced the deficit.

I stand here ready to conclude that this Canadian government has the best record of all government levels, provincial or federal. Certainly, over the last seven years we have controlled our spending and kept it substantially lower than the rate of inflation. Although we have not solved the ills of of the country when it deals with fiscal or debt problems, I am comfortable to say that we are certainly going in the right direction.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I am sending over to the hon. member who just spoke some information from the Department of Finance. These are the charts from the federal Department of Finance for this year in transfers to the provinces, 1990–91, compared to 1991–92. He is now having the two charts placed on his desk by the page.

I just wanted to bring to his attention that in 1990–91, compared to 1991–92, this year Newfoundland is receiving less in equalization payments, less in total transfers. The minister in the front row is trying to tell the hon. member that, indeed, the Government of Newfoundland was overpaid. Is this what he is trying to say, overpaid? But it is not true. No, because I can also table a letter from the Minister of Finance that says in addition to these estimates cuts, Newfoundland has to pay back $71 million at a rate of $34 million a year. The minister is nodding his head, so now he knows what I am talking about.

In other words, the Province of Newfoundland is quite different than the other provinces in that we are receiving less in transfer payments. I wanted to ask him whether he is aware that his colleague who spoke before him who is now talking to the minister, just provided me with a sheet that he was quoting the BBM rates. He mentioned Newfoundland as having CBC Radio stations that had very small percentages of the market. What he was quoting from was a document which said that in Gander–Grand Falls the CBC has only 10 per cent of the listening audience and that there are a number of stations in the market, 11 radio stations in Gander, Newfoundland, and 11 in Grand Falls, Newfoundland. That is the market and therefore the CBC only had 10 per cent of that market.

The hon. gentleman should know that there is no such thing as 11 radio stations you can pick up anywhere in the province of Newfoundland and Labrador.

I want to ask the hon. member who just spoke as he has had a chance to look at these documents, will he now not admit that the province of Newfoundland is receiving far less money in transfers this year than it did last year. That is different from every other province in Canada.

Mr. Soetens: I want to thank the hon. member for sending over these charts. As you can see there are a lot of very small numbers on them but I will be glad to respond because I note on the 1990–91 estimates, if I read your chart correctly, it says that there is a transfer of $1 billion and $5 million. Or, if you want to take the total of cash and tax, it is $1,461,000,000. If you take the next chart, using the cash and tax combination, it says $1,454,000,000 which is a reduction of about $7 million.

That, I grant you, is less, but what the member does not mention in his submission is that the reason it is $7 million less is that last year and the year before they got $71 million more. The fact of the matter is, looking at this, the numbers are, in fact, not anywhere near that.

Unfortunately, I did not have a chance to send this chart over before I spoke, so I will send it over after I speak. I have a chart which I will bring over to you personally which shows that, in 1990–91, Newfoundland received $2,427 in per capita transfers from the federal government. That is the largest transfer from this chart which I got from the finance department. I will share this chart with you. It was $2,427 in 1990–91, and in 1991–92, it is $2,474 per person, an increase of about $50 per person in transfers from the federal government to the province of Newfoundland.

I appreciate that the member may say that a $50 increase is not enough and I wish I could stand here and say we have sent you $500 per person more, but we just do not have the money. I hope that has clarified that position, but I have some other lovely charts here as well.

All I can say is that I understand that the Minister of Finance in the province of Newfoundland said we had a good budget. If he thought it was a good budget, and 47 per cent of the money he uses in his budget comes from the federal government, he obviously cannot be complaining about our budget at all. And why are you? You are from Newfoundland.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, the hon. member to whom I listened with great interest gave himself a grade of 98 which he admitted was only a subjective guess. We can lend some objectivity to this estimate. The real grade is 14 per cent. That is the grade given to his party by the people of Canada right now and I suspect that that means that he will not have to worry about the next four years.

The hon. member has been at great pains to suggest, and causing all of us pain I must say, that those of us who argue, not that the deficit should be increased but rather that priority should be changed, are in some fashion arguing for an increase in the deficit.

Let us dismiss this out of hand. He was saying that he was asked by some children what he was doing about that $15,000 debt. In typical Tory exploitive fashion they are trying to convince children to be propagandizers. I wonder if he was able to explain to them how in the world they were going to earn the $15,000. What he did not address is that it is going to be very difficult 20 years from now for those kids to be earning enough to pay $15,000, even for a Honda, so long as the present government's policies with respect to science and technology continue.

• (2030)

Now, he does not seem too concerned about our relative position with the OECD. Everybody in the OECD is interested. Almost everyone who has looked at our economy is interested. I would dare say that those kids are interested in the fact that if things keep on going as they are there will be no jobs.

I want to understand what priorities justify spending in the order of $1.7 billion on a space program that the Americans are not even convinced should be set up. I want to understand what priorities have us move a science establishment 100 miles at a cost of almost $500 million. I want to know what priorities have the government investing $2.7 billion in an oil field that is going to mean more technological development in the United States than in Canada.

The Acting Speaker (Mr. DeBlois): Order, please.

Mr. Soetens: Mr. Speaker, it is a pleasure to respond. I have to acknowledge what the member said. I do not know whether it is 14 per cent or 16 per cent but we are down there somewhere.

The only thing I would comment on is that before the budget and then after the budget we stayed at 14 per cent. Before the budget in Ontario it was at 56 per cent. I would hazard to say it is falling like a stone. If you get down to 14 per cent it will be as you are passing through on your way to lower numbers.

There is another point I wish the member had talked about. He criticizes our policy because he is afraid that those poor kids will not be able to drive a Hyundai. I only wish the member would have, coming from such a large automobile manufacturing community, that he had talked about buying some inexpensive Ford or Chrysler or GM product. But no, that is not of interest to him. He would sooner be talking about an imported car. That is an example of what we are talking about.

We talk about priorities. Let me give you one further priority because I know there are other speakers. The member has criticized our budget for our priorities.

In the province of Ontario we have a very serious problem in the manufacturing sector. We will all acknowledge that.

If that problem is such a priority you should know that in the Ontario budget the only departmental budget that was cut was the budget of the Ministry of Industry. The very department that has problems is the only department the NDP cut. Now we know where its priorities are.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I thank the minister for his kind comments.

I had prepared some notes, but in view of the high level of discussion and the intellect that has been passing me by this evening, I have decided that I am going to take a slightly different tack from what I was planning. I am going to have to resort to a few statistics—

An hon. member: Get the RCMP to look for your notes.

Mr. Mifflin: No, no, I do not need that, I can find them myself. I will be forced to use a few statistics because, like my hon. colleague from Gander-Grand Falls, we always use statistics that matter. The statistics that I will use, for all those who are interested, come from the budget books that were prepared by the Minister of Finance.

Before I talk about them—and I am going to watch the time very carefully, Mr. Speaker, because I do not want you to have to cut me off one more time—I want to talk about predictions. For the viewers in Newfoundland, sometimes we get confused when we hear about GDPs, EEC, OECD. Some of that stuff is gobbledegargon to me sometimes, and I am sure to a lot of other people.

I want to talk about something that takes me back to my Newfoundland background, the background of a simple sailor.

I try to look at things in the smallest and most simple terms. I am looking at predictions. In the business of being at sea—most Newfoundlanders by definition know all about the sea—if you make wrong predictions, you are going to have to suffer dire consequences.

Let me give some examples. If your prediction on the tide is wrong—and the tide has a big range—you can end up by going aground, high and dry. That has happened to a lot of people.

If you predict that the weather is not going to come on and you have your ships, or boats in the case of fishing boats, alongside you will be blown adrift because a storm will come up overnight and your lines will break.

If you are at sea and your prediction about where the eye of the storm is going to be is really wrong, you are going to end up in the eye of the storm and not know it. You might sink or lose a lot of equipment and perhaps a few people.

If you make a wrong guesstimate on all of these various factors that influence mariners, you are going to arrive at your destination at the wrong time. Give or take a couple of minutes, that is okay, but we like to have arrival times within about five minutes. Even that is considered on the border of being professional.

Mr. Speaker, can you imagine somebody with a nautical background who is used to making predictions and has seen predictions pretty well on tab coming to the House of Commons and hearing predictions? You listen to them with great intensity. You take notes, go back and look for trends and projections, and then you hear another prediction. You say: "Good Lord, this cannot be the prediction that was made before."

I will be honest with you, Mr. Speaker. I have been very confused in the relatively short time that I have been in this House. Let me explain why. I think it is only fair that I go back to 1983–84, and I do not want to repeat what I said here earlier this evening.

In summary, the last Liberal government projected a deficit of $31.3 billion, and the deficit rounded out to $32.4 billion. That was not right on, but it was not too bad when I look at some of the other predictions.

I want to look at the 1984 budget. I do not want to go into the details, but I will say—the hon. minister was commenting on how close or how far off we were—that the projected deficit in 1984, the first budget of this government, was $34.5 billion. What did it turn out to be? It turned out to be $38.3 billion.

As a matter of fact, this government now uses $38.3 billion as a benchmark, as opposed to the previous figure. That is a prediction. Some predictions do not go right. I do not want to go through the succeeding budgets. However, I want to start when I really got into business in the election year 1988. I arrived in the House of Commons in 1988. That was my year.

During the campaign, there was some confusion as to what was happening in the budget. In February 1988 the Minister of Finance predicted that there would be a 2.8 per cent growth rate that year. In fact, the actual growth was 5 per cent. That is an indicator to me, with my simple sailor background, that there were forces of inflation that should have been and could have been recognized at that particular point in time.

Were they recognized? I remember very definitely promises being made of a prison in my riding in the town of Harbour Grace. There had not been so much excitement in the town since the town was set afire in the 1900s.

The prison was promised and there were other promises made. I think they worked out to around $13 billion at the time. Somebody estimated them at that.

• (2040)

During the 1988 election I tried to stay on top of all the issues, but I never once heard the terms "the problem we have with our deficit, with our budget, the problems we have with the national debt". They never arose once, they were never in an election campaign.

I arrived in this House shortly after the 1988 budget, and what did I see? I saw a budget introduced called Canadian Economic Prospects in the Nineties. Then, all of a sudden, we heard all kinds of new terms which I had not heard during the election campaign. There were a number of problems identified. There were inflation increases, the interest rates were rising and then the word "deficit" came out, the big deficit that we had, the weakness in the domestic saving and the growing foreign indebtedness that we had. These were all new things to me.

I listened with great interest as the emphases on the 1989 budget, not surprisingly, were the following: the need for this and the need for that but still encouraged were the high interest rates, the high exchange rates, taxes were to be increased and expenditures restrained. The Minister of Finance thought that growth and demand would be moderate, growth in consumer spending would be moderate but resilient, I think was the term used, and labour market pressure would ease as would the cost pressures.

What happened? This is not conjecture, and this is not partisan politics, these are facts: By the end of 1989 the deficit remained the same as it was in 1984; the exchange rate moved up from 75.4 cents to 84.5 cents on the American dollar, and growth was reduced from 5 per cent in 1988 to 3 per cent.

We had the warning signs that economic times were going to be tough. The Minister of Finance really did have a chance to correct this, because the warnings were unmistakable. What did he do? He pursued the same policies, and if you look at the 1990 budget, it would appear to be a continuation of the chapter of the 1989 budget without any notice of a time warp. If you put the two budgets together, you would think that the 1990 budget was a continuation of the 1989 budget, despite all these warnings that were afloat, if I could use that term.

In the 1990 budget, the Minister of Finance exuded confidence, confidence that "after a short term of economic slowdown in the first half of the year, the imbalances would be corrected by the natural forces in the economy," and I am never sure what that means, and "sound growth would be resumed by 1991".

Inflation was projected to decline from 5.5 per cent in 1989 to 4.5 per cent by the end of 1990, and to 3.5 per cent by the end of 1991. The decline in interest rates was predicted and growth of 1.3 per cent was projected. The unemployment rate was then 7.5 per cent. It was projected to be 8.5 per cent, and then declined to 7.6 per cent. Why 7.6 and not 7.5 or 7.7 or 7.8? I do not know. 7.6 per cent in 1992–1995.

Even the most benevolent of the economic observers regarded these predictions as totally out of whack. Had these predictions worked, and at the time I hoped they would, we would not be in the state we are in today. I would also remind the House that the prediction for the deficit at that time was that in 1990 it would be $28.5 billion and by 1993 it would be down to $14 billion.

We now know that the recession really started in about the second quarter of 1990. It may not have technically started, but the beginning was back there. As much as a year ago the economy was sliding downhill very fast.

I remember being here at Question Period for so long and the Minister of Finance and the Prime Minister would not even use the word "recession". They did not identify it. They talked about all kinds of euphemisms and this, that and the other thing.

The expression that I remember so well was "a period of adjustment." What in the name of heaven that means is beyond me. You have to die to go to heaven.

Let me give the backdrop for the 1991 budget. It is not pleasant, but I have to remind us all. Unemployment is rising. The tax burden is so high that people are starting to do strange things. Inflation is rising. Bankruptcies have reached a record level.

We are presently in the middle of not a minor recession but a major recession, made in Canada and not world-wide like it was back in 1981–82. Public finances are running out of control and the country is in serious trouble.

This is the background for the 1991 budget. This is the background which the government admits it created. It even boasts about creating it. This is the sad tapestry against which the mosaic of the 1991 budget was created.

I am not going to go through the budget of this year because there have been many speeches made on it. I think really on all sides of the House, depending on your view, members have quoted things and taken different viewpoints and I am sure it has been very instructive to the Canadian people. I am not going to engage in partisan debate about who did what, why it was done and so on.

I am going to stick to the projections and the predictions. In going back to 1984–85 I am amazed, I am aghast at the predictions that were made and how far off the mark they were. By golly, if a mariner made the kind of predictions that were made over the last six or seven years, we would be aground. We would not be afloat. We would be cut adrift. We might even be sinking.

I hope that this is not the condition we find ourselves in today. I am more optimistic than that. I believe strongly in this country. I believe we are going to be able to pull ourselves out of this mess, but we are going to need something better to do it.

Whatever has been tried in the last six or seven years has not worked. I am not being partisan now. Going back to being a mariner, when you take over the watch from the officer of the watch or when you take over a ship from a captain, for a couple of weeks you can blame it on the guy who was there before you. You try not to do that, but there are certain things. If the drogues are missing you have to say "well, they were not there when I took over".

After six months in command you cannot turn around any more and say it is the skipper's fault, the one who left. You cannot do it. If you did, you would not be credible.

I wish, of all the things that I wish from the other side of the House, that it would stop blaming any government after a certain period of time. It is just not credible to the Canadian people, so it is not helping itself in doing that. I wish it would not do it because it is absolute and utter nonsense.

I want to remind the Chair before I get into my concluding remarks here that in the 1985 budget the Minister of Finance predicted that he would reduce the annual deficit to $20 billion by 1990. It is now 1991 and the deficit stands at $30.5 billion, the same as it was the second year that this crowd was in power.

If you want to make predictions, you could make all kinds of predictions. If I had more time I would answer some of these intellectual and perceptive questions which have been put in front of me, but I know that we are all interested in time and I may even quit a few minutes ahead of my time.

I engage in music from time to time, as we do in Newfoundland. I am a Newfoundlander. I love the sea. I make predictions about the sea. I like to play music. I like to sing. If you ask a Newfoundlander what he thought of the budgets we have had—if you pay attention, I want to say something to you over there—what would they say about these budgets?

They would say that the tune of the budgets for the last six years has been "Happy Days Are Here Again", budget number one, number two, number three, number four, number five, number six, "Happy Days Are Here Again". What are they saying to this budget? They are saying: "It ain't necessarily so".

• (2050)

Mr. John Manley (Ottawa South): Thank you, Mr. Speaker. I would like to pick up on one of the points that my colleague from Newfoundland raised. He seemed to provoke a certain gaggle of comment from the other side when he discussed the financial year 1984–85, which was the first financial year the Conservative government was in office. Since that is, as he said, often referred to by it as kind of a benchmark year I think it is important. I think it is important for the people of Canada to understand where we are at and where we came from. The government keeps referring to that year as being the last year of Liberal deficits. It talks about $38 billion plus as the final deficit of the Liberal administration.

I would like my colleague to pick up on this theme. The concern I have is that we are in a time in Canada when people are getting a little bit fed up with the fallacious myths that the government promotes in order to defend itself when it is indefensible. The last budget for that year projected a budgetary deficit of $29.6 billion for 1984–1985.

Mr. Belsher: Whose budget was that?

Mr. Manley: The hon. member is trying to listen, but he is talking at the same time and he is finding that difficult.

In November 1984 the new government brought in an economic statement in which it said: "Yes, the deficit was going to be in excess of what Mr. Lalonde had predicted". He predicted $29.6 billion. By November 1984, Mr. Wilson, then Minister of Finance, said that for the current year, which was then more than half over, the deficit would be $34.5 billion. He said in his economic statement, and I quote: "With this set of projections and

no policy changes, the deficit for this fiscal year would be $34.5 billion. This is what we inherited".

Within a few months of that statement, the government reached the end of the year and managed to spend another $4 billion. That is where it got its benchmark.

I would like to ask my colleague whether he agrees that was a deliberate attempt by a new government to ram every expenditure it could into the expenses of the Government of Canada for that year in order to establish the highest watermark possible and forever after say that is the reason it has to pay such high interest charges.

Mr. Mifflin: Mr. Speaker, I want to thank my hon. colleague for making that point clear. Governments are very clever at doing things. Sometimes they are opaque and sometimes they are not quite as opaque as they either could be or should be. However, in this particular instance it is blatantly obvious what happened. Now, one does not want to suggest that the methods are here, there or everywhere, but I would have to agree with my colleague that, in what was it, four or five months, a relatively short period of time, with no changes in policy—as was indicated by the Minister of Finance of the day—we went from $34.5 billion to $38.3 billion. That became the benchmark. That, to me, was very similar to the budget of 1988, the election year, when all the indicators said that inflation was going to be a lot higher than predicted. If the proper action had been taken at that particular point in time we would not have found ourselves in the position that we found ourselves in 1989, 1990, and 1991.

One has to understand the motives of the government and—without trying to make accusations one way or another—one has to say: "Well, this is what has happened in the past". I am not going to predict the future but I get worried when I see $400 million extra being collected. Now that $400 million does not mean anything unless it is put against the base. That is against a base of $1.8 billion, $400 million more than was projected on a base of $1.8 billion. That is 22 per cent more.

We have a lot of experts in the Department of Finance and I am not attributing any partisan politics to them. I am saying that they are experts, probably as good as we have in the world, and the best they can do is predict and be off by 22 per cent in three months, revenue neutral. If that is a prediction and if that is how close they are to what is going to happen in the next year, my God, we are in trouble.

However, we are not in trouble because there is a reason for that $400 million. I would suggest there is a little war chest put away somewhere. When the time is right we will not hear too much about the debt created by this government, we will not hear too much about fiscal responsibility, we will not hear too much about extra GST money. We are going to have to find out how much it is going to take to build another prison in Harbour Grace for example, maybe build a few schools—in short, to buy peoples' votes with their own money. Shocking, despicable, and wrong.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I want to congratulate the hon. member for Bonavista—Trinity—Conception for the excellent address he gave here today. I only wish he had another half hour or hour so that he could talk about the problems in the fishery that we have.

I want to ask the hon. gentleman this question, if he cares to comment on fisheries policy. The hon. gentleman heard the exchange here earlier on. A member of the government stood up, a member of the communications committee. There is circulating a document which I have seen which quotes the BBM, the official service that surveys all radio stations in Canada. The committee is given a document that says that CBG in Gander only has 10 per cent of the listening audience, CBT in Grand Falls only has 24 per cent, and CBN in St. John's has 25 per cent. He says with that percentage it is a waste of money. Then he said that in this document—given to members of Parliament, given to the committee, obviously with the intent of trying to close them down eventually—it says that there are nine AM stations in St. John's, Newfoundland competing with the CBC. There are 11 AM stations in Gander, Newfoundland competing with the CBC and there are 11 AM stations in Grand Falls, Newfoundland competing with the CBC.

I am wondering if the hon. gentleman will pass judgment on this? Are there 11 radio stations in Gander, 11 in Grand Falls, and nine in the city of St. John's? Can he pass judgment on this serious question?

Mr. Mifflin: Mr. Speaker, like the hon. member I drive in my riding in my car. We can pick up three radio stations. If we are lucky, maybe four. Where are the 11 stations in Grand Falls? Where are the nine stations in Gander?

They came from the same place as the projections came from in the budget, exactly the same place—in their minds.

On a serious note, and I do want to talk on a serious note, in the Speech from the Throne made when I first came to this place there were a number of points made. There is really one point that I want to comment on very seriously. In the 1989 Speech from the Throne there is a paragraph I want to read: "My government will propose amendments to the unemployment insurance program in order to improve the program's effectiveness and its fairness. These changes will—"

Mr. Speaker, let me tell you what the government did, what it said it was going to do. Everybody said: "Oh, wonderful. This is great".

What it did was the following. At that time UI worked this way: the employer paid 43 per cent, the employee paid 31 per cent, and the government paid 26 per cent. At that time in 1989 the government's contribution was $3 billion out of $13 billion.

In less than two years, to cover the cost of the government's withdrawal—it did not say it was going to withdraw, in fact in October 1988 it said it was not going to change a thing, not a thing. Everything is going to be fine. Don't worry about free trade. UI will never change.

• (2100)

If this is not a change, it is like another projection. It is something I do not understand. In less than two years, to cover the cost of the government's withdrawal which has happened in two years, for every $100 of employable earnings from the employee, the premium rate rose from $1.95, that was written, to $2.80, an increase of 85 cents or 45 per cent.

The employer's contribution rose from $2.73 to $3.92, another 45 per cent. I am going to make a prediction. I do not think it is over yet. I think there is more on the way whether it is called inflation or not. I will just finish off with that particular point.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, I am pleased to have the opportunity to speak in support of the main estimates and for supplementary estimates for the fiscal year 1991–92.

What I would like to do is take a little time. Unlike the last speaker, I prepared some notes and I am going to stick with them.

What I would like to do now is quote a Labour Prime Minister from Britain in 1976 at a Labour Party conference. This is what he said: "We used to think you could spend your way out of a recession and increase employment by cutting taxes and boosting government spending. I tell you in all candour that option no longer exists, and insofar as it ever did exist, it worked by injecting inflation into the economy. Each time that happened, the average level of unemployment has risen. Higher inflation followed by higher unemployment. That is the history of the past 20 years."

That is James Callahan, the British Prime Minister speaking to a Labour Party conference in September 1976.

A finance minister in a budget speech said the following. You will also enjoy this. The finance minister said: "We intend to continue severe restraint. Our experiences this past year and our prospects next year force us all to recognize the central problems of control of public expenditures."

Many of you might think that sounds like the current finance minister, but it was Edgar Benson in October 1968.

An hon. member: Wasn't he a Liberal?

Mr. Sobeski: He was a Liberal finance minister, speaking 22 years ago, saying: "Hold the line".

This is from another budget. The hon. member does not want to listen to this one. In this budget speech, the finance minister said: "Cutting taxes instead of increasing spending reflects the government's determination to oppose restraints upon its own spending." That was in February 1973, and the finance minister was John Turner.

In May, 1976, when the Liberals introduced wage and price controls, they said: "In recognition of the widespread feeling among Canadians that present circumstances demand restraint in government spending". If you take a look at spending in 1973 and 1976, we are not surprised on this side. Canadians were not surprised, because we did see a lot of government spending.

I have another article here that is by Mike Duffy. We all know Mike Duffy, the twin brother of the Parliamentary Secretary to the President of the Treasury Board.

Some hon. members: Oh, oh.

Mr. Sobeski: In this article, he said: "For a nation that has been truly blessed, Canadians are in a terribly foul mood. Over and over, Canadians keep being told there is an easy way out, but those Mulroney Tories are too stubborn to try it." Duffy says: "Give me a break. I do not know of a single politician who would rather make a tough decision if there were easier, simpler answers to the problem. The fact is that in our current economic situation, there is no easy answer."

Later in the article, he says Canadians did have a choice.

The hon. member is having difficulty believing a journalist said this. Ten years ago, when John Crosbie was the finance minister, he said it best when he brought in a budget in 1979 that has been referred to, the first time we heard it: "Short term pain for long term gain". That was the budget of 18 cents a gallon.

What happened in that election? Canadians said: "I am sorry. We do not want to pay". And what did they do? They re-elected the Liberals. After the Liberals were re-elected they continued to spend money they did not have. They took out the little credit card and kept moving it through.

In 1980 the deficit of Canada was $11.5 billion. Canadians said: "No 18 cents a gallon. We do not want to face up to that". So, they re-elected the Liberals and the deficit went from $11.5 up to $38.3. We might even discount it back with the comments from the member for Ottawa, but the annual deficit tripled in those four years.

Those are comments from British Prime Ministers, finance ministers, but I have some comments from some Canadian constituents. Last November, I asked my constituents to give me input that I could pass along to the finance minister when he was preparing his budget. These are comments that came in to me three or four months before the budget came out. These are comments from Canadians. I do not know which party they support, but they probably support Canada. These are ordinary Canadians.

Here is one quote: "When my budget is tight, I have to cut charity donations and cut out non-essentials. Charity begins at home. The government must as well. Keep all program spending to pre-1989-90 levels". That was one constituent.

Another one said: "A further general tightening up is necessary to bring spending under control". There is a constituent with common sense: "Tighten your belt".

Another one said, and this is a good one: "There is no easy way to cut costs when your spending has already outstripped your revenues. When it comes down to the nitty-gritty, then all Canadians must bite the bullet".

Another constituent wrote in saying: "I am getting sick and tired of carrying the bulk of taxes and wish the government would practise what they preach and start cutting back".

Finally, another constituent wrote in and said: "It takes courage to tell the nation that we must live within our means and act accordingly or face the devaluation of our currency to dissolve the national debt, but in doing that you would ruin people like myself who have saved responsibly".

This person recognized that if you do not get the debt under control, if you allow inflation to grow and inflation grows to 20 per cent, those Canadians who have saved responsibly are seeing their savings eroded away because of inflation.

Canadians might look at the projection of the $30.5 billion budget deficit for the fiscal year 1990-91 and 1991-92, and wonder how the government earned the reputation as a resolute fighter against excessive spending.

The amounts are the same so how can the government say it is fighting the deficit? Well the yardstick by which progress must be measured is the level the deficit could have risen to had we followed the free spending ways of previous governments.

In the current fiscal year, Ottawa must turn to the public financial markets for only 15.7 per cent of its cash needs, compared to 27.3 per cent in 1984-85.

An hon. member: Remarkable progress, excellent.

Mr. Sobeski: To put that in terms to understand, what we are saying is that in 1984-85, when the government was spending money they had to go out and borrow 27 per cent of that in the public market. Today, in this budget here, we are out borrowing 15 per cent, because the government revenues have also grown.

• (2110)

I think if Canadians look at it in those particular terms, they can understand that if you have to borrow less money, you must be controlling your deficit.

When we took over, Ottawa was forced to borrow enough money to cover all its debt servicing costs and the $16.1 billion in program savings on top of that. In 1984–85 the government was bringing in revenues of approximately $70 billion. Government spending, not including interest on the debt, was some $87 billion. Here we are as a government, as a nation, bringing in $70 billion and spending $87 billion on programs which Canadians at the time had voted their governments to provide.

There is a shortfall in those programs of some $17 billion. What has happened over the past seven years is that government revenues have increased. Why have they increased? Because more Canadians are working since 1984 and the government has increased taxes. No one is denying that. What has happened is that instead of running a deficit of $17 billion on programs, we now have a surplus of some $12 billion. So we have seen on program spending, improvement. Because of that improvement we are able to take that excess $12 billion, and are we spending it on new programs? No, we are trying to control our expenses and what we are doing is using that money to pay on the interest which has accumulated over the years.

We have also seen many different ways of looking at the debt. Some people have suggested that the debt in 1984 was some $200 billion and they say the debt has doubled in the last seven years. That is true, the debt has doubled. Why has it doubled? Partly because there is $200 billion sitting there and whoever the government was it would have to pay the interest on that $200 billion.

For those Canadians familiar with a simple thing called compound interest, they would know that you have to carry that burden and that accounts for a large portion of the debt we have today.

The Canadian Chamber of Commerce has called on Canadians to go on what it calls a deficit diet reduction plan. Being on the deficit diet simply means that we have to curb our appetite for government programs.

The Chamber of Commerce said that we can no longer assume that we need something, a new community program, for example, for which we can automatically turn to any level of government for the cost. The Canadian Chamber of Commerce said that all Canadians must reduce their expectations of government. The business community is first in line to cut back on its consumption from the public purse. It says we need broad public support if governments are going to bring all government spending and consequently the deficits and the debts under control.

As major transfers to other levels of government represent almost 25 per cent of all federal program spending, these programs definitely have to come under review from the finance minister. Under the Established Programs Financing, the federal government provides equal per capita financial assistance to all provinces to carry out responsibilities for health care and post–secondary education.

Since 1984–85, the amount spent on established programs financing has increased by $5.4 billion to almost $20 billion. There is another transfer payment called "equalization" which provides substantial additional assistance to lower income provinces through the equalization program. Its purpose is to enable all provinces, rich and poor, to provide reasonably comparable public services, including health and post–secondary education at reasonably comparable tax levels.

Equalization payments, which have increased to about $8.2 billion, represent an average increase over the past six years of 7.1 per cent.

Under the Canada Assistance Plan, the federal government reimburses provinces for 50 per cent of the eligible expenses for social assistance payments and services to persons in need.

The Canada Assistance Plan programs have increased from $4 billion to just under $6 billion in six years.

As my time is concluding, I would like to talk about the cost of financing the debt. Again, we talk in terms of billions of dollars. It is difficult for anyone to understand exactly what a billion dollars is. The cost of financing the debt back in 1968 was about 12 cents on every tax dollar. By 1984, 32 cents of every tax dollar went toward interest on the debt. Today, it is close to 35 cents on the dollar.

What that shows is that once you have this debt around your neck, this burden of debt, it is difficult to move out unless you do one of two things. What we are trying to do is control spending.

Deficit reduction is not easy. Tough choices have to be made. The budgets of the last few years and these estimates are part of a total package that is balanced. What we are trying to do with these budgets is build on the future not borrow from it. That is why this government is taking aim at the prime objective for the future: the problem of a growing debt. Our debt is a problem and we have to work toward it.

While some may think that the cost of successful debt reduction may seem high, the price of failing to get our debt under control is unimaginable.

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I appreciate your recognizing me.

I just want to make some comments on the debt and the deficit. When we, the Conservative government, came to office in 1984, the national debt was around $180 billion. It was not $200 billion as was made out in one of the comments. The annual debt at that time was around $41 billion. So from that time on we increased the debt to $400 billion, but our revenues in 1984 were $70 billion and we had a negative balance of $40 billion. So the total budget was $110 billion.

If you compare our revenues right now they are about $110 billion or $120 billion and the deficit is still over $30 billion annually. It is the same thing if you had a mortgage for instance of $180,000 and after six years you had to borrow because your mortgage went up to $400,000. In the meantime, your income had increased by 40 per cent. How would you judge a person like that? You would say he is drinking, he is spending like a crazy sailor.

So this is the way that this government has been handling the economy. The Conservatives say that they inherited a national debt of approximately $180 billion, but do not forget that this debt came along because there was a lot of spending in the last 20 years before.

• (2120)

It did not happen suddenly. The Conservative government doubled the debt while increasing taxation in about six years.

I would like to ask the hon. member whether he thinks this is responsible management of public finances.

Mr. Sobeski: It is a pleasure having a question from a member who twice has been elected to the House of Commons, and both times he ran as a Conservative but he forgot to mention that. I do like his example of a mortgage, because this is something I think every Canadian can understand. A person goes out and buys that first house. Let us say they buy that first house for $150,000, their income is $30,000 and they take a five-year mortgage. Every Canadian understands that. What happens during the first five years of that mortgage is that based on that income generally they can pay the interest and at the end of five years when that mortgage comes due on that house they have paid off very little of the principal. When they renew that mortgage, their income has gone from $30,000 maybe up to $37,000 and so for the next five years they are in a little bit better position and they can pay more off on the mortgage. Then when they renew that mortgage again in the third term their income is up to $50,000 and then they are in a position in which they can really start to pay off that house.

The hon. member knows that. Every other Canadian understands that. The member in his question acknowledged that the revenue from the government has grown because since 1984 there are about 1.2 million more Canadians working, and so government revenues have gone up. The strategy of the Conservative Party is no different than the strategy of those Canadians who are buying their houses. Their income grows and then they are in a better position down the road to pay off their mortgage, and that is exactly what this government is going to do. The only difference is that when we have our mortgage burning party, you will not be invited to the party because you do not deserve to be invited.

Mr. David Kilgour (Edmonton Southeast): To the person who just spoke, I have *The Economist* for June 8

and it has some interesting statistics. I would like to get his comments.

In terms of industrial production, Canada is down minus 7.4 per cent over the year. The only OECD country that has done worse on the list is Spain, at minus 10.

GNP or GDP: Canada is down minus one over the last year. The only countries that have done worse, as I look at the list quickly, are the U.K. at minus 1.5 and Australia at minus 1.5.

Retail sales: Canada is down 15 per cent over a year. I do not think there is any country that has done worse in the last year.

Unemployment: Canada is at 10.2 per cent. The only country of the OECD countries that has done worse appears to be Spain with 15 per cent.

Prices and wages: Canada plus 6 per cent—these financial geniuses over here. Italy is the only country that has done worse at 6.8 per cent; Sweden, 10 per cent; U.K., 6 per cent.

In the broad definition of money supply, Canada is up 8 per cent; again the only countries that have done worse are Italy, Spain, Sweden and the U.K.

I know that the only subject those opposite like to talk about is the deficit, and if any of them think that is going to save their political necks at the next election, I wish they would raise their hands. No hands are going up. One hand going up.

Will the member tell us about this sterling financial performance that his government is giving to Canadians versus all of the other OECD countries?

Mr. Sobeski: Mr. Speaker, again I appreciate the question. There is a tremendous question in our minds because we are curious as to what party this member will be in when the next election comes around.

He asks a question and I will give him a serious answer. My riding also includes the city of Kitchener. Everybody in this House knows that the city of Kitchener, with B.F. Goodrich–Uniroyal, is possibly going to lose 2,000 jobs. The potential is there. The question is about long-term investment, what direction should we go.

In the mid-1970s the Liberal government's strategy was: "Let's build a competitive industry in Nova Scotia with Michelin. So let us move Canadian tax dollars to build tire plants in Nova Scotia even though we have tire plants in Ontario." That was the Liberals' strategy.

As a result we have in Ontario an old industry competing against new industry funded by Canadian government money. Here we are, some 14 years later as a result of that investment strategy—

Ms. Clancy: What are the statistics on the service side?

Mr. Sobeski: The bottom line of that investment strategy was that it was good for Nova Scotia but the people who paid the price were the people in my riding in Kitchener.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, it is a pleasure to rise and put a question to my good friend from Cambridge. He and I have a special relationship in that I represent Newfoundlanders and so does he. In his constituency of Cambridge there are many thousands of Newfoundlanders in exile.

I have a question for the member for Cambridge. There is such excitement on that side of the House. I have never seen people go so enthusiastically to their electoral doom.

The member for Cambridge made a fine speech. He did not tell us about the windfall of $400 million in GST that has been garnered over the—

Mrs. Campbell (Vancouver Centre): That's great news to bring the deficit down.

Mr. Simmons: I know the Minister of Justice would love to make her maiden speech and I invite her to do so when I sit down, but in the meantime if she could keep her little trap shut.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. DeBlois): Order, please. Before resuming debate, on a point of order, the hon. parliamentary secretary.

Mr. Kempling: Mr. Speaker, I would ask the unanimous consent of the House to revert to—

Ms. Clancy: A point of order.

The Acting Speaker (Mr. DeBlois): I will listen to the point of order of the hon. member.

Mr. Kempling: I would ask the unanimous consent of the the House to revert to reports from committees.

Some hon. members: No.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): The House heard the motion. Does the House agree with the motion?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

BILL C-2

REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I have the honour to present, in both official languages, the report of the Legislative Committee C on Bill C-2, an act to amend the National Energy Board Act without amendment.

The Legislative Committee C on Bill C-2, an act to amend the National Energy Board Act, has the honour to report the bill to the House in accordance with its Order of Reference of Thursday, May 23, 1991. Your committee has considered Bill C-2 and has agreed to report it without amendment. A copy of the Minutes of the Proceedings and Evidence relating to this bill are tabled.

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

GOVERNMENT ORDERS

[*English*]

SUPPLY

MAIN ESTIMATES, 1991-92—CONCURRENCE IN VOTE 1, DEPARTMENT OF FINANCE

The House resumed consideration of the motion of Mr. Loiselle (p. 1646).

Mr. Simmons: Mr. Speaker, my point of order is that I was in the midst of a question. I yielded the floor on the instruction of the Speaker to allow a point of order. One would assume that once the so-called point of order has been dealt with we would go back to where we were.

The Acting Speaker (Mr. DeBlois): Order, please. When I gave you the floor I said very briefly. The questions and comments period was over when I recognized the hon. member for Burlington.

Mr. Sobeski: Mr. Speaker, I would be more than happy to listen to the question and respond to it.

• (2130)

Ms. Mary Clancy (Halifax): Mr. Speaker, it is an interesting point that the members on the opposite side of the House appear to be caught in a time warp. They do not appear to be able to see very far beyond the date of 1984.

I think, in particular, that the member for Cambridge is caught in some sort of a time warp. I begin my remarks on the estimates with my lack of understanding that if everything is as wonderful as that member would have us believe in his remarks, why are he and his cohorts not more popular? This may be because I come from the maritimes and we sometimes have difficulty in understanding these things. It is, in the words of a famous King of Siam, a puzzlement.

I want to know if everything is so wonderful, as the hon. member suggests, why we have had 32 or even 33 tax increases over the last six years. I want to know why subsidies have been cut. Most particularly, I want to know why the At and East subsidy to the eastern ports on the carrying of grain has been cut. I want to know, if everything is so wonderful and this government is in control, why there has been no help for the port of Halifax.

Indeed, I want to know why we cannot even get an answer as to why there is no help for the port of Halifax. I want to know why there is not a fairer tax structure for Canadian National so that the port of Halifax does not lose business hand over fist, as it has been doing in the last several months. I want to know, if everything is so wonderful, why the foreign fleets are over-fishing in the Atlantic fishing grounds and why Atlantic fisherpeople have to stay at home, why they cannot catch anything close to their quotas.

I want to know, if everything is so wonderful, why unemployment insurance was gutted so that seasonal workers in the Atlantic region are facing at least half a year with no jobs, no UI, no training programs, no nothing from this government. I want to know, if everything is so wonderful, why we only have three VIA Rail trains out of Halifax in the run of a week now, when we used to have two a day.

An hon. member: That is all the ridership they had.

Ms. Clancy: No, no. That hon. member over there is incorrect. There was a 98 per cent ridership on VIA Rail in the Atlantic. In the words of Casey Stengel: "You could look it up". Well, maybe you could not but maybe somebody could.

If everything is so wonderful, why has the CBC been slashed to bits by this government? If everything is so wonderful, and perhaps this is the most telling point of all, why are the hon. members opposite so exorcised? Why do they not just ignore what I am saying? There must be some truth to the comments I am making for there to be such an overwhelming response from my hon. friends on the opposite side.

Mr. Soetens: Mr. Speaker, a point of order.

Ms. Clancy: Mr. Speaker, he would like a point of order. Give it to him.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Ontario.

Mr. Soetens: Mr. Speaker, I appreciate that the member has spent five minutes asking some very important questions. I would ask if I could have 15 minutes of her time to respond to those questions, so that she knows exactly why.

The Acting Speaker (Mr. DeBlois): It was not a point of order.

Ms. Clancy: Mr. Speaker, I again make my point that if the member of Terry Toones over there keeps on making so much noise there must be something that is getting on his nerves, if indeed such nerves exist. Perhaps, the only thing that does exist over there is nerve.

Some hon. members: Oh, oh.

Ms. Clancy: If everything is so wonderful—and there they are. They are still upset. I do wish they would calm down.

In the last couple of days I have crossed the country from east to west and back and I have talked to Canadians. I have talked to Canadians in Vancouver. I have talked to Canadians in Ontario. I have talked to Canadians in Nova Scotia. I have talked to Canadians from all over this country; cab drivers and waitresses, people who work in hotels and people who work in convention centres.

There is still one thing that can only be described as a burr under the saddle of the average Canadian and that burr under the saddle is the GST. The GST, the tax from Hades. If you do not understand that reference, gentlemen, you again could look it up.

This tax has created some of the most unmitigated hardship this country has ever seen. We have seen businesses going under at a rate heretofore unknown in Canada. We have seen depression.

Mr. Pronovost: We have to pay interest on your debt.

Ms. Clancy: It is clear the hon. member, or I should say the hon. current member for Saint-Maurice, is particularly upset over something, but I would rather he did not take a point of order. He can talk to me later or he can write me a note. He can write.

This tax has caused unmitigated hardship. I listen to cab drivers. I listen to people who work at minimum wage jobs and I hear the hardship that this government has perpetrated upon them with this, the worst tax in the history of Canada.

I go back now, I go back as we talk tonight on the estimates, on these nefarious estimates that are being put forward by the Government of Canada.

Of all the things that are unacceptable to me as the member for the great city of Halifax, I come back once again to the question of the At and East grain subsidy.

I have risen in this House five or six times in the past several weeks and questioned the Minister of Transport and the Associate Minister of Transport about help for the port of Halifax.

I wonder about those members over there as they go on their merry way destroying this country as we knew it, removing any trace of infrastructure.

Mr. Belsher: Trying to make it better, Mary.

Ms. Clancy: Twenty bucks, five bucks over world price for 20 years, Ross, just remember that.

The government is trying to succeed in taking the infrastructure of Canada and laying it to waste from coast to coast; the ports, the trains, privatizing Air Canada, privatizing Petro Canada, turning this country into their view of a free market economy with no government intervention and no government caring because it says to the strongest goes the battle and the devil take the rest. The devil take the weak, the devil take the poor, the devil take Atlantic Canada and the north and parts of the west. I will tell you, the devil is going to take somebody and he is going to take them pretty quick.

I look at those members over there and say if everything is in such good shape, why are you so upset? If I were in your position and believed that everything was in such good shape, I would sit there and smile beatifically and say "oh well, the opposition has nothing to complain about because we are doing such a wonderful job for the country that the Canadian people all love us and will re-elect us."

I do not know the actual figures for the rest of the country. I do know that in Atlantic Canada my party stands at 61 per cent. That was yesterday. It may be 63 today.

Mr. Hudon: There is no re-election today.

Ms. Clancy: No, but it is coming and probably sooner than you might think.

If these gentlemen and ladies on the government side are so happy with everything that is going on in this country today, why are we hearing excuses? Why are we hearing everything but the actual truth of the matter?

• (2140)

Why are we hearing defensive responses to the questions of the opposition? Why are we hearing these things? We are hearing them because the Conservatives know they are in trouble. They know that the average Canadian considers them to be unworthy of their trust. They know that the average Canadian considers them to be unequal to the task of putting this country on the road to recovery and on the road to success, whether we are talking economically, constitutionally or whether we are talking decently.

It is indecent what the policies of this government have done to this country, indecent. There are people in this country who are suffering, living lives of quiet desperation because of government policy. There are women in this country who have lost jobs. They were not great jobs to begin with because this government has never been all that hot at creating great jobs for women, but they have lost the jobs they had.

We have heard of the number of bankruptcies in this country, the small businesses that have closed and the retailers going out of business. Well, who do you think works in most of those buildings and businesses? I will tell you who works in most of those low-paying jobs. I will tell you. Women. Women have been among the greatest victims of this government from its first days in office to this very day.

Is the hon. member getting tired? I am so sorry. Why do you not go and take a nap?

I want to say that this government will be remembered. This government, to borrow the words from Franklin Delano Roosevelt, will live in infamy for what it has done to this country. There is a famous statement—

Mr. Kempling: B.S.

Ms. Clancy: Try to use the English language and not scatological terms.

There is another famous phrase but I do not know who coined it. The first person I ever heard use it was a Tory cabinet minister in Nova Scotia: "If it is not broke, do not fix it". It is something that this government should be more familiar with because Canada was not broke in 1984. It is sure on the verge of total breakup right now. It is sure on the verge of a transformation into something, probably a parking lot for our neighbours to the south, deliberately created by the policies of this government over the past seven years.

The subsidies are gone; the infrastructure is gone or going; the traditions and the beliefs of Canadians have been shaken to their very foundations. There is nothing being offered by this government that Canadians can look to and say: "There it is. That is something I can hold on to. That is something I can believe in. That is something that can give me some faith and belief in the future; for me, for my family, for my children and for generations to come".

It is a terrible thing to do what this government has done in destroying the infrastructure of a country, but I suggest that it is a more terrible thing to take the dreams, ambitions and hopes of an entire nation and dash them to the ground. That is what this government has done and what it continues to do.

They are quiet on the other side now, which is nice for a change, and I am glad. In this silence from the other side, in this inability to respond to the charges I have made, I say to the members of the government: reflect well, think on it, not for your electoral future but for your belief in a country which we are all supposed to represent.

Mrs. Dorothy Dobbie (Winnipeg South): Mr. Speaker, a very short question for the hon. member. She talked about the dreams and hopes of an entire nation. I thought that was very interesting because it seems to me that the previous Liberal regime lived on dreams, pipe-dreams, and created illusions for the country that were absolutely impossible to realize.

They created such a sense of expectation that could never possibly be fulfilled that there was no possible hope for Canadians except to have those hopes dashed.

I would ask the hon. member why she would think that the practical, pragmatic, down-to-earth, realistic vision that we are building for Canada would not be something that would have a better expectation of having some ultimate result. The hon. member talks of dreams and hopes and visions as if those were realities. I would suggest to her that reality is what we live every day, bread-and-butter issues, not spending beyond our means, not telling people that they can have what they cannot have and that somebody, something wonderful in the future, will pay for what we are going to give them today in order to get re-elected.

This government has had the common sense, the will, to do what we think we must do because we know what is absolutely necessary for the future of the country. The country is not built on dreams alone, it is built on good, solid, financial, economic policy. I would ask the hon. member to tell us what her good, solid, financial, economic policy would be.

Ms. Clancy: Mr. Speaker, there are two questions in that. First, I would like to say that I, too, believe that governments are built on good, sound financial management, and it would be nice if this government knew how to do it. It clearly does not, and has not for seven years. She talks as if this government has done some of these things absolutely deliberately, which I did not even accuse them of. I am thinking of the cancellation of At and East, for example, which will close the Halifax grain elevators now working at a quarter capacity, and lose 426 jobs in Halifax. It has closed the Saint John elevator, lost 80 jobs in Saint John, New Brunswick. I think I could be wrong, one of my friends will correct me. We are looking at the loss of 250,000 jobs in the manufacturing sector in the province of Ontario in the post-free trade era.

These are just a few bagatelles, no doubt, to this government, but there are human lives and human stories behind every one of those lost jobs. I would like to see the member from Winnipeg come to Halifax and talk to the 426 families that do not have a pay cheque and cannot even look forward to UI to get them over the hump because of the policies of this government. If that is its vision, if that is its sound financial management, well, I say it is spinach and I say to hell with it.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I think some comments are in order, when we consider some of the remarks made by the hon. member for Halifax.

She started her speech by referring to the ridership on VIA Rail trains in the Halifax area. She said that before the cuts at VIA Rail, VIA trains had a ridership of 98 per cent in the Atlantic region.

I am sorry to have to correct the hon. member for Halifax but this is just not true. It was 38 per cent, Mr. Speaker, and these figures are in the public domain; they can be checked at any time by any person in this country.

The highest ridership was between Montreal and Toronto, but in the Atlantic region it was 38 per cent. She referred to VIA Rail but forgot to say that this government took the bull by the horns, because in 1988 it costs Canadian citizens, who are here this evening and who are listening, $1.2 million to keep the line open between Senneterre, Quebec, and Cochrane, Ontario, although the railway line in question raised only $69,000.

I think we should be reasonable. Furthermore, 65,000 Canadian citizens have free passes for travel on board VIA Rail trains. These people are part of the ridership statistics. These are facts that must be considered.

The hon. member for Halifax also told us that the government was destroying Canada's health care system and social safety net. This year alone, Mr. Speaker, the Canadian government and the provincial governments will spend $91 billion on health care. This represents $2,600 per Canadian. I think our government is generous.

In concluding I will repeat what she said about the CBC, that we are destroying this corporation. This year, Canadian taxpayers will spend $1.4 to keep the CBC alive. I will give you an example. We are generous because in Halifax we have CBC radio and 80 per cent of the people never listen to CBC radio. Ninety-three per cent never listen to CBC stereo FM, Mr. Speaker. That is the truth.

• (2150)

Ms. Clancy: That's not true!

Mr. Pronovost: The hon. member for Halifax says it isn't true.

In concluding, I will say these figures are in the public domain. They were published by BBM, a polling firm, and your colleague from Mount Royal will confirm that any time.

[*English*]

This government is very generous to the CBC. This government will continue to be generous to the CBC but there are also private broadcasting companies in this country that receive no money from the federal government. They are doing a very great job. The Liberal Party and the NDP never recognize the contribution of private broadcasters in this country.

Ms. Clancy: Mr. Speaker, I am delighted to respond to the comments from the current member for Saint-Maurice. I just want to say these statistics are wonderful. First of all, these are the statistics brought to you by the same wonderful group of people who think there are 11 radio stations in Gander, Grand Falls, Newfoundland. They also think there are six radio stations in Glace Bay, Nova Scotia. Since Glace Bay is my home town, and one of the central towns of the member for Cape Breton—East Richmond, I am quite sure that our hon. House leader would be surprised to hear that. We would have a lot higher advertising bills in our election campaigns were this the case.

I think consequently that statistics from the current member for Saint-Maurice are possibly slightly suspect. If he would like to check his statistics on the *Scotian* and the *Ocean*, he would find that indeed there was a 98 per cent ridership and those were the trains out of Halifax.

I cannot let the comment go unmarked that 83 per cent of Haligonians do not listen to the CBC. This is a base canard that cannot be allowed to go unargued. I can say, as the only member of Parliament as far as I know to have received flowers from the Canadian Broadcasting Corporation when she was elected, that when I worked for the CBC in Halifax we had an 84 per cent share of the market in Halifax at the time. That may have diminished since I have taken my golden tones to another House. However, I still will tell you that last Friday morning, I, along with thousands of other Haligonians and Nova Scotians attended the CBC *Information Morning* birthday party. If nobody was listening, why could you not get a parking space for miles around; why were the Sheraton Hotel and environs jammed to the doors by happy CBC listeners? I have no idea, if nobody in Halifax is listening to the CBC, why everybody talks about what they heard on the CBC wherever Haligonians meet.

I suggest that the current member for Saint-Maurice, if he perhaps ever came to Halifax, would know a little bit more about the situation. But in the meantime, he should perhaps leave the representation of Halifax to me.

Oh, wait, sorry, one further comment. I want to say that I did not—and I apologize—make a single comment about what this group has done to the health care system in Canada. I certainly could have. I will be happy to, because it is a disgrace and a disaster. But the member was clearly either not listening or listening to someone else.

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I want to tell you a little story. I hope I have enough time to get to the happy ending, which is when the Conservative government took over the reins of this country.

Let me go back just a little bit in time and talk about a regime that saw itself slipping from power. It said: how do we keep hold of the reins of power?

I hate to attribute motives that may have been less than honourable to past members of this House, but I think evidence shows that there was a very deliberate plan in place by previous governments of this country to keep the reins of power. They used the opiate of the people, their own money, and the federal government's spending power, to keep them sedated, to keep them feeling that somehow everything was rosy, that all things were wonderful and that the time to pay the piper would never come.

I lived in those times. I was a young girl, in fact, when those times occurred. I remember the days in 1967, for example, when we were right at the peak of our international power when we actually had a surplus in this government.

The dream merchant came along who had wonderful things to peddle but did not have anything very solidly founded in reality. He convinced Canadians that if they would just follow his plan for this just society, this new Canada, that somehow all their dreams would come true.

Mr. Speaker, I would remind you that there was something else happening in the world in those days. It was the time of flower power. It was the time when everybody was on something a little strange, smoking weird weeds and things like that. Canadians and the rest of the world had lost touch a little bit with reality.

Canadians can be forgiven for following the song of the pied piper, for getting carried away on these Utopian dreams that said: "We can have it all right now. Everything we want will come to us and it will be ours. Nobody ever has to pay."

Nice story, but like all fairy stories this one had to come to an end. In fact, the pied piper of Hamelin did not have a dream to lead us to. The money he was spending on us kept us sedated, that opiate of the people, our own tax dollars that we use to feed people, to keep them quiet and make them feel secure that everything is all right.

All of that bubble burst, and we came in touch with reality. In 1983–84, I remember as a member of the Chamber of Commerce in Winnipeg and as a member of the community, the absolute desolation that people felt. There were no jobs out there. There was no hope for our youth. We did not think that Canada had a future. We were mired in debt, and worse, we had no leadership. There was no plan. There was no vision. There was no future for Canada.

That changed in 1984. The current Prime Minister came around. This government was elected. It had a plan. It had a sense of the future. It had a sense of direction. We are taking the country toward a goal that has promise, vision and reward. This is not just an illusion. These visions and these promises are based in firm, solid reality.

I am proud to be part of that reality and very proud to be part of that government. I hope that I did not bore you with my speech. The hon. member opposite obviously enjoyed it very much. I saw her applauding. She agreed with every word I said as she so frequently does.

I think that if Canadians at large would really listen to what we are saying and see what we are doing, they would understand that we are building a very firm foundation for the future. There is a Canada out there that we can all feel proud of and one that will give everybody, all of our children, some kind of hope for the future.

Canadians are proud. In two weeks, we will be celebrating Canada Day, and Canadians will have an opportunity to think about what it is that gives us this sense of pride, vision, the future and nation. Part of that will be their own sense of having a firm economic foundation and a government with a sense of leadership, direction and vision. They will be glad that the fairy tale was over in 1984.

The Acting Speaker (Mr. DeBlois): It being ten o'clock p.m., it is my duty pursuant to Standing Order 81(16), and order made Thursday, May 23, 1991, to interrupt the proceedings and put forward every question necessary to dispose of the business of supply.

[*Translation*]

The House will now proceed to the taking of the deferred division on the motion no. 1 standing in the name of the hon. Président of the Treasury Board.

Call in the members.

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

(*Division No. 14*)

YEAS

Members

Andre	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Bosley
Bouchard (Roberval)	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Danis
Darling	de Cotret
Desjardins	Dick

Dobbie
Duplessis
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hawkes
Holtmann
Horning
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
MacDonald (Rosedale)
Martin (Lincoln)
Mazankowski
Monteith
O'Kurley
Pronovost
Reid
Richardson
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Tétreault
Tremblay (Québec-Est)
Valcourt
White
Worthy—91

Domm
Epp
Ferland
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Joncas
Kempling
Landry
Larrivée
Lopez
MacDougall (Timiskaming)
Mayer
McKnight
Oberle
Porter
Redway
Reimer
Roy-Arcelin
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Lotbinière)
Vankoughnet
Wilbee

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Breaugh
Clancy
Ferguson
Fisher
Fulton
Gagliano
Harvard
Hunter
Karpoff
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Maheu
Marleau
McLaughlin
Mills
Pagtakhan
Prud'homme
Rodriguez
Skelly (Comox—Alberni)
Whittaker—47

Baker
Blondin
Campbell (South West Nova)
Dingwall
Finestone
Flis
Gaffney
Harb
Harvey (Edmonton East)
Jordan
Kilger (Stormont—Dundas)
Kindy
Laporte
Lee
MacWilliam
Manley
McCurdy
Mifflin
Nystrom
Parker
Robinson
Simmons
Taylor

PAIRED MEMBERS

Members

Allmand
Atkinson
Crosby (Halifax West)
Dorin
Fontana
Hockin
Keyes
MacLaren
McGuire
Merrithew
Nicholson
Nunziata
Proud
Schneider
Thompson
Tremblay (Rosemont)
Van de Walle
Wilson (Swift Current—Maple Creek—Assiniboia)
Wood

Arseneault
Attewell
Dionne
Edwards
Foster
Hughes
Leblanc (Longueuil)
Marin
McGuire
Nault
Nowlan
Parent
Rideout
Stewart
Thorkelson
Vanclief
Vincent

Mr. Speaker: I declare the motion carried.

Supply

[*English*]

Mr. Gagliano: Mr. Speaker, I rise on a point of order. If you seek unanimous consent, you will find such consent that the vote on Motion No. 1 will apply to Motion No. 2 and Motion No. 3.

Mr. Speaker: The hon. member for Kingston and the Islands on the same point of order.

Mr. Milliken: Mr. Speaker, I ask that my name be added to the list of nays on Motions Nos. 2 and 3. Unfortunately I was unable to get into the Chamber in time for the vote on Motion No. 1.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I have the same dilemna. I would like that my name be added to the list of Liberals who will vote against this motion.

[*English*]

Mrs. Catterall: Mr. Speaker, I was not here for the first vote, but I would ask that my name be recorded with the nays against Motions Nos. 2 and 3.

[*Translation*]

Mr. Speaker: So be it ordered.

The House will now proceed to the deffered vote on the motion No. 2 standing in the name of the honourable President of the Treasury Board.

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

(*Division No. 15*)

YEAS

Members

Andre
Belsher
Bertrand
Blackburn (Jonquière)
Bouchard (Roberval)
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Corbett
Darling
Desjardins
Dobbie
Duplessis
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson

Beatty
Bernier
Bird
Bosley
Boyer
Cadieux
Cardiff
Chadwick
Clark (Yellowhead)
Cole
Cook
Corbeil
Danis
de Cotret
Dick
Domm
Epp
Ferland
Friesen
Greene
Harvey (Chicoutimi)

Hawkes
Holtmann
Horning
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
MacDonald (Rosedale)
Martin (Lincoln)
Mazankowski
Monteith
O'Kurley
Pronovost
Reid
Richardson
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Tétreault
Tremblay (Québec-Est)
Valcourt
White
Worthy—91

Hicks
Horner
Hudon
James
Joncas
Kempling
Landry
Larrivée
Lopez
MacDougall (Timiskaming)
Mayer
McKnight
Oberle
Porter
Redway
Reimer
Roy-Arcelin
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Lotbinière)
Vankoughnet
Wilbee

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)
Benjamin
Breaugh
Catterall
Dingwall
Finestone
Flis
Gaffney
Gauthier
Harvard
Hunter
Karpoff
Kilgour (Edmonton Southeast)
Langan (Mission—Coquitlam)
LeBlanc (Cape Breton Highlands—Canso)
MacLellan
Maheu
Marleau
McLaughlin
Milliken
Nystrom
Parker
Robinson
Simmons
Taylor

Baker
Blondin
Campbell (South West Nova)
Clancy
Ferguson
Fisher
Fulton
Gagliano
Harb
Harvey (Edmonton East)
Jordan
Kilger (Stormont—Dundas)
Kindy
Laporte
Lee
MacWilliam
Manley
McCurdy
Mifflin
Mills
Pagtakhan
Prud'homme
Rodriguez
Skelly (Comox—Alberni)
Whittaker—50

PAIRED MEMBERS

Members

Allmand
Atkinson
Crosby (Halifax West)
Dorin
Fontana
Hockin
Keyes
MacLaren
McGuire
Merrithew
Nicholson
Nunziata
Proud
Schneider
Thompson
Tremblay (Rosemont)
Van de Walle
Wilson (Swift Current—Maple Creek—Assiniboia)
Wood

Arseneault
Attewell
Dionne
Edwards
Foster
Hughes
Leblanc (Longueuil)
Marin
McGuire
Nault
Nowlan
Parent
Rideout
Stewart
Thorkelson
Vanclief
Vincent

Mr. Speaker: I declare the motion carried.

CONCURRENCE IN VOTE 1—NATIONAL REVENUE

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved

—That Vote 1, in the amount of $820,602,000, under NATIONAL REVENUE—Customs and Excise—Operating Expenditures in the Main Estimates for the fiscal year ending March 31, 1992 (less the amount voted in Interim Supply), be concurred in.—

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

(*Division No. 16*)

YEAS

Members

Andre
Belsher
Bertrand
Blackburn (Jonquière)
Bouchard (Roberval)
Browes
Campbell (Vancouver Centre)
Casey
Champagne (Champlain)
Clark (Brandon—Souris)
Collins
Cooper
Corbett
Darling
Desjardins
Dobbie
Duplessis
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Hawkes
Holtmann
Horning
Jacques
Johnson
Jourdenais
Koury
Langlois
Layton
MacDonald (Rosedale)
Martin (Lincoln)
Mazankowski
Monteith
O'Kurley
Pronovost
Reid
Richardson
Scott (Hamilton—Wentworth)
Soetens
Stevenson
Tétreault
Tremblay (Québec-Est)
Valcourt
White
Worthy—91

Beatty
Bernier
Bird
Bosley
Boyer
Cadieux
Cardiff
Chadwick
Clark (Yellowhead)
Cole
Cook
Corbeil
Danis
de Cotret
Dick
Domm
Epp
Ferland
Friesen
Greene
Harvey (Chicoutimi)
Hicks
Horner
Hudon
James
Joncas
Kempling
Landry
Larrivée
Lopez
MacDougall (Timiskaming)
Mayer
McKnight
Oberle
Porter
Redway
Reimer
Roy-Arcelin
Sobeski
Sparrow
Tardif
Thacker
Tremblay (Lotbinière)
Vankoughnet
Wilbee

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Baker
Benjamin	Blondin
Breaugh	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Ferguson
Finestone	Fisher
Flis	Fulton
Gaffney	Gagliano
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kindy
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Nystrom	Pagtakhan
Parker	Prud'homme
Robinson	Rodriguez
Simmons	Skelly (Comox—Alberni)
Taylor	Whittaker—50

PAIRED MEMBERS

Members

Allmand	Arseneault
Atkinson	Attewell
Crosby (Halifax West)	Dionne
Dorin	Edwards
Fontana	Foster
Hockin	Hughes
Keyes	Leblanc (Longueuil)
MacLaren	Marin
McGuire	McGuire
Merrithew	Nault
Nicholson	Nowlan
Nunziata	Parent
Proud	Rideout
Schneider	Stewart
Thompson	Thorkelson
Tremblay (Rosemont)	Vanclief
Van de Walle	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

Mr. Speaker: I declare the motion carried.

[*English*]

CONCURRENCE IN MAIN ESTIMATES

Hon. Harvie Andre (for the President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1992, laid upon the table on Tuesday, May 14, 1991, except the items disposed of earlier this day and less the amounts voted in Interim Supply, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Mr. Speaker: In my opinion the yeas have it.

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

(*Division No. 17*)

YEAS

Members

Andre	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Bosley
Bouchard (Roberval)	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Danis
Darling	de Cotret
Desjardins	Dick
Dobbie	Domm
Duplessis	Epp
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Holtmann	Horner
Horning	Hudon
Jacques	James
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Martin (Lincoln)	Mayer
Mazankowski	McKnight
Monteith	Oberle
O'Kurley	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Roy-Arcelin
Scott (Hamilton—Wentworth)	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vankoughnet
White	Wilbee
Worthy—91	

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Baker
Benjamin	Blondin
Breaugh	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Ferguson

Finestone	Fisher
Flis	Fulton
Gaffney	Gagliano
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kindy
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Nystrom	Pagtakhan
Parker	Prud'homme
Robinson	Rodriguez
Simmons	Skelly (Comox—Alberni)
Taylor	Whittaker—50

PAIRED MEMBERS

Members

Allmand	Arseneault
Atkinson	Attewell
Crosby (Halifax West)	Dionne
Dorin	Edwards
Fontana	Foster
Hockin	Hughes
Keyes	Leblanc (Longueuil)
MacLaren	Marin
McGuire	McGuire
Merrithew	Nault
Nicholson	Nowlan
Nunziata	Parent
Proud	Rideout
Schneider	Stewart
Thompson	Thorkelson
Tremblay (Rosemont)	Vanclief
Van de Walle	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

Mr. Speaker: I declare the motion carried.

Mr. Gagliano: Mr. Speaker, you will find unanimous consent, I believe, that the vote on the Main Estimates will apply to the Supplementary Estimates, the Appropriation Act on second reading, report stage, including committee of the whole and third reading.

Mr. Dingwall: Mr. Speaker, in the absence of the President of the Treasury Board I direct my question to the government House leader as to whether or not the Appropriation Act is in its usual form.

Mr. Andre: I can give the House leader of the Official Opposition that assurance.

Mr. Speaker: Accordingly, Supplementary Estimates (A) for the fiscal year ending March 31, 1992, laid upon the table Monday, May 27, 1991, are being concurred in. Accordingly, Bill C-24, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1992, is deemed read a first time and printed, deemed read a second time and referred to committee of the whole, deemed reported back to the House without amendment, deemed concurred in at the report stage, and deemed read a third time and passed.

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A), 1991-92

Hon. Harvie Andre (for the President of the Treasury Board) moved:

That the Supplementary Estimates (A) for the fiscal year ending March 31, 1992, laid upon the table May 27, 1991, be concurred in.

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

(Division No. 18)

YEAS

Members

Andre	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Bosley
Bouchard (Roberval)	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Danis
Darling	de Cotret
Desjardins	Dick
Dobbie	Domm
Duplessis	Epp
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Holtmann	Horner
Horning	Hudon
Jacques	James
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Martin (Lincoln)	Mayer
Mazankowski	McKnight
Monteith	Oberle
O'Kurley	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Roy-Arcelin
Scott (Hamilton—Wentworth)	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vankoughnet
White	Wilbee
Worthy—91	

Supply

(Division No. 19)

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Baker
Benjamin	Blondin
Breaugh	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Ferguson
Finestone	Fisher
Flis	Fulton
Gaffney	Gagliano
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kindy
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Nystrom	Pagtakhan
Parker	Prud'homme
Robinson	Rodriguez
Simmons	Skelly (Comox—Alberni)
Taylor	Whittaker—50

PAIRED MEMBERS

Members

Allmand	Arseneault
Atkinson	Attewell
Crosby (Halifax West)	Dionne
Dorin	Edwards
Fontana	Foster
Hockin	Hughes
Keyes	Leblanc (Longueuil)
MacLaren	Marin
McGuire	McGuire
Merrithew	Nault
Nicholson	Nowlan
Nunziata	Parent
Proud	Rideout
Schneider	Stewart
Thompson	Thorkelson
Tremblay (Rosemont)	Vanclief
Van de Walle	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

Mr. Speaker: I declare the motion carried.

Mr. Andre (for the President of the Treasury Board) moved that Bill C-24, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1992, be read the first time.

Motion agreed to and bill read the first time.

Mr. Andre (for the President of the Treasury Board) thereupon moved that the bill be read the second time and referred to Committee of the Whole.

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

YEAS

Members

Andre	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Bosley
Bouchard (Roberval)	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Danis
Darling	de Cotret
Desjardins	Dick
Dobbie	Domm
Duplessis	Epp
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Holtmann	Horner
Horning	Hudon
Jacques	James
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Martin (Lincoln)	Mayer
Mazankowski	McKnight
Monteith	Oberle
O'Kurley	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Roy-Arcelin
Scott (Hamilton—Wentworth)	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vankoughnet
White	Wilbee
Worthy—91	

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Baker
Benjamin	Blondin
Breaugh	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Ferguson
Finestone	Fisher
Flis	Fulton
Gaffney	Gagliano
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kindy
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Nystrom	Pagtakhan

Parker	Prud'homme
Robinson	Rodriguez
Simmons	Skelly (Comox—Alberni)
Taylor	Whittaker—50

PAIRED MEMBERS

Members

Allmand	Arseneault
Atkinson	Attewell
Crosby (Halifax West)	Dionne
Dorin	Edwards
Fontana	Foster
Hockin	Hughes
Keyes	Leblanc (Longueuil)
MacLaren	Marin
McGuire	McGuire
Merrithew	Nault
Nicholson	Nowlan
Nunziata	Parent
Proud	Rideout
Schneider	Stewart
Thompson	Thorkelson
Tremblay (Rosemont)	Vanclief
Van de Walle	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

Mr. Speaker: I declare the motion carried.

Bill read the second time.

Accordingly, the bill was deemed considered in Committee of the Whole and reported back without amendment.

Mr. Andre (for the President of the Treasury Board) moved that the bill be concurred in.

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

(*Division No. 20*)

YEAS

Members

Andre	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Bosley
Bouchard (Roberval)	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Danis
Darling	de Cotret
Desjardins	Dick
Dobbie	Domm
Duplessis	Epp
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Holtmann	Horner
Horning	Hudon
Jacques	James
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Martin (Lincoln)	Mayer
Mazankowski	McKnight
Monteith	Oberle
O'Kurley	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Roy-Arcelin
Scott (Hamilton—Wentworth)	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vankoughnet
White	Wilbee
Worthy—91	

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Baker
Benjamin	Blondin
Breaugh	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Ferguson
Finestone	Fisher
Flis	Fulton
Gaffney	Gagliano
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kindy
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Nystrom	Pagtakhan
Parker	Prud'homme
Robinson	Rodriguez
Simmons	Skelly (Comox—Alberni)
Taylor	Whittaker—50

PAIRED MEMBERS

Members

Allmand	Arseneault
Atkinson	Attewell
Crosby (Halifax West)	Dionne
Dorin	Edwards
Fontana	Foster
Hockin	Hughes
Keyes	Leblanc (Longueuil)
MacLaren	Marin
McGuire	McGuire
Merrithew	Nault
Nicholson	Nowlan
Nunziata	Parent
Proud	Rideout
Schneider	Stewart
Thompson	Thorkelson
Tremblay (Rosemont)	Vanclief
Van de Walle	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

Mr. Speaker: I declare the motion carried.

Mr. Andre (for the President of the Treasury Board) moved that the bill be read the third time and passed.

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

(Division No. 21)

YEAS

Members

Andre	Beatty
Belsher	Bernier
Bertrand	Bird
Blackburn (Jonquière)	Bosley
Bouchard (Roberval)	Boyer
Browes	Cadieux
Campbell (Vancouver Centre)	Cardiff
Casey	Chadwick
Champagne (Champlain)	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Collins	Cook
Cooper	Corbeil
Corbett	Danis
Darling	de Cotret
Desjardins	Dick
Dobbie	Domm
Duplessis	Epp
Feltham	Ferland
Fontaine	Friesen
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Gustafson	Harvey (Chicoutimi)
Hawkes	Hicks
Holtmann	Horner
Horning	Hudon
Jacques	James
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lopez
MacDonald (Rosedale)	MacDougall (Timiskaming)
Martin (Lincoln)	Mayer
Mazankowski	McKnight
Monteith	Oberle
O'Kurley	Porter
Pronovost	Redway
Reid	Reimer
Richardson	Roy-Arcelin
Scott (Hamilton—Wentworth)	Sobeski
Soetens	Sparrow
Stevenson	Tardif
Tétreault	Thacker
Tremblay (Québec-Est)	Tremblay (Lotbinière)
Valcourt	Vankoughnet
White	Wilbee
Worthy—91	

NAYS

Members

Axworthy (Saskatoon—Clark's Crossing)	Baker
Benjamin	Blondin
Breaugh	Campbell (South West Nova)
Catterall	Clancy
Dingwall	Ferguson
Finestone	Fisher
Flis	Fulton
Gaffney	Gagliano
Gauthier	Harb
Harvard	Harvey (Edmonton East)
Hunter	Jordan
Karpoff	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kindy
Langan (Mission—Coquitlam)	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacLellan	MacWilliam
Maheu	Manley
Marleau	McCurdy
McLaughlin	Mifflin
Milliken	Mills
Nystrom	Pagtakhan
Parker	Prud'homme
Robinson	Rodriguez
Simmons	Skelly (Comox—Alberni)
Taylor	Whittaker—50

PAIRED—MEMBERS

Members

Allmand	Arseneault
Atkinson	Attewell
Crosby (Halifax West)	Dionne
Dorin	Edwards
Fontana	Foster
Hockin	Hughes
Keyes	Leblanc (Longueuil)
MacLaren	Marin
McGuire	McGuire
Merrithew	Nault
Nicholson	Nowlan
Nunziata	Parent
Proud	Rideout
Schneider	Stewart
Thompson	Thorkelson
Tremblay (Rosemont)	Vanclief
Van de Walle	Vincent
Wilson (Swift Current—Maple Creek—Assiniboia)	
Wood	

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

[*Translation*]

Mr. Speaker: It being 10.38 p.m., pursuant to the order made Monday, June 10, 1991, the House stands adjourned until tomorrow, at ten o'clock, pursuant to Standing Order 24(1).

The House adjourned at 10.38 p.m.

HOUSE OF COMMONS

Friday, June 14 , 1991

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

Hon. Perrin Beatty (for Minister of State (Finance and Privatization)) moved that Bill C–10, an act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I am delighted to have a chance to speak on this important piece of legislation which will implement the budget measures which increase the excise taxes and duties on tobacco products.

All members of the House are aware of the vital link between deficit reduction and economic recovery, and there is no question that these changes in tobacco taxation will have a very beneficial effect on our efforts to get Canada's public finances under control. I want to stress the fact that the reason for making these changes was not essentially to raise taxes or to generate more revenues; it was because of the fact that each year some 35,000 Canadians die as a result of tobacco related illness.

This is an issue that should be of concern to every Canadian. The tax measures themselves will raise additional revenues of $1.4 billion in the 1991–92 fiscal year, declining progressively to $980 million by 1994–95. It is clear that in the language of dollars and cents this initiative makes good sense, but I believe the case for this bill is made in a far more eloquent way when we look at its likely effects on the health of Canadians.

One thing that became abundantly clear to me in my two years as Minister of National Health and Welfare is the inexorable link between tax policy and the reduction of tobacco use. The facts speak for themselves: we brought forward a significant increase in tobacco taxation in the 1989 budget. We combined this action with extensive health promotion programs, a law to end tobacco promotion and regulations requiring health messages on tobacco packages. It was a potent recipe for success.

The result was that in 1989 we saw an incredible 8 per cent drop in per capita tobacco consumption, the largest in history. It is a question of some pride for Canadians that over the last two years, successively, this country has led the world in reducing the use of tobacco. The effect of this is that it will help us to bring down our medical costs in Canada. More important, it will help us dramatically in terms of keeping alive thousands of Canadians who would otherwise have been lost to cruel diseases caused by tobacco.

In terms of taxation, the formula is very simple: when cigarettes are less affordable they are less attractive, especially to our children. Based on previous tobacco consumption trends and estimated deaths from tobacco use, it is likely that this bill will save up to 125,000 young people from becoming hooked on tobacco, meaning at least 35,000 fewer deaths among this age group alone.

If the numbers are hard to understand, imagine an airline passenger jet crashing every second day, or to put it another way, imagine the entire population of a city the size of Cornwall being wiped out each and every year. If these deaths were taking place in that way there would be headline news, not just around Canada but around the world. Because of the nature of the deaths caused by tobacco, it tends to be something that is private, not seen by everybody, personal and individual, the silent mortality that takes place year after year, the tragic waste of human lives, the immense human suffering, both for those who are afflicted by the disease itself and for the survivors who have to manage without their loved ones, often go unnoticed by the rest of us.

• (1010)

It is time that we as a people and as a society begin taking stock of the tremendous cost that tobacco use inflicts upon our population. It is particularly important to those of us who believe that the most important thing we can do for our children is to give them a society in which their health comes first. It is surely time for us today to take this measure to do what we can to reduce tobacco use and to help to save lives in Canada.

To return to the financial realm, consider that each year diseases caused by smoking, such as cancer and heart disease, cost our health care system untold billions of dollars, to say nothing of the lost productivity and the incredible heartache for the families involved.

Let us take a few minutes to look at the mechanics of the legislation. The bill provides for an increase in the excise tax on cigarettes by 3 cents a cigarette, or $6 a carton, as well as a proportionate increase in the excise levies on other tobacco products. This means that the excise tax on manufactured tobacco, which includes loose, fine cut tobacco, will increase by $4.08 per 200 gram container. The *ad valorem* excise tax on cigars will be raised from 40 to 65 per cent. These tax increases were effective on February 27, 1991.

The bill also addresses concerns about the unequal tax burden on loose tobacco for traditional roll-your-own cigarettes and preportioned tobacco sticks. Prior to the budget, tobacco sticks were taxed as a fine cut product on the basis of weight. However, because tobacco sticks generally weigh less than roll-your-own cigarettes, they were generally less heavily taxed on a per cigarette basis.

Tobacco sticks will now be taxed on a per unit basis, and the excise tax and duty will equalize those on other fine cut products at approximately two-thirds of the rate on fully manufactured cigarettes. Since the excise levies on tobacco products are imposed at the manufacturers' level, the higher tax rates announced in the budget would apply only to tobacco products sold by manufacturers after February 26.

To ensure that the tax increases are applied in a consistent manner at different trade levels, the excise tax increases proposed in the budget will apply to wholesalers' and retailers' inventories held at the time the new rates took effect. To simplify compliance for small and medium sized retailers, the tax will not apply to the first 1,000 cartons of cigarettes or the equivalent volume of tobacco products held in inventory in retail outlets on budget day.

Consistent with the treatment of remittances of income taxes, this bill also imposes interest on any delay in payment of the increases in excise taxes and duties on tobacco products beyond the time within which existing levies are normally remitted, as well as on late or deficient instalments of the tax on tobacco inventories. Imposing interest on delayed payments will ensure that taxpayers voluntarily remit the tax increases announced in the budget, and that those who withhold payment until the tax increases are enacted are treated equally.

This bill is an important part of the government's plan to ensure that Canada's economy is soundly run, but as I mentioned, it is an even more important element of our strategy to reduce the consumption of tobacco in Canada. In both areas, we have a chance to do an enormous amount of good in ensuring the health and prosperity of our children.

By bringing our nation's finances under control, we can ensure that our children have access to the same programs and prosperity that most of us have enjoyed throughout our lives. By ensuring that our children are Canada's first smoke-free generation, we will bequeath them a far healthier society than the one which we inherited. In this latter field, I believe that we have made encouraging progress. It is clear, however, that much work remains to be done. This bill, with its measures to make tobacco less affordable for our children, is an important step in that direction.

Let me simply conclude by saying to the House that in whatever time any of us have to serve as members of Parliament in this institution, the most important contribution we can make to our country is to take measures which markedly improve the health and the longevity of our citizenry.

This is an opportunity for all members of Parliament to speak with one voice to help ensure that Canadians live healthier and longer lives. This is an opportunity that each of us has, on either side of this House, to do what we can to promote the health of our children. It is an opportunity to reduce human suffering.

I believe that if this House speaks unanimously and strongly today in support of this legislation, we will be making an important contribution not just for this generation but for generations yet to come in Canada.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, hon. colleagues and government members, thank you for the opportunity to rise today on debate of Bill C-10, an act to amend the Excise Tax Act and the Excise Act.

This bill promotes a tax which by some is called a "sin tax." Others label Bill C-10 a "tax grab." As the Liberal critic for national health and welfare, I see this bill from a different angle. For me it is a bill with the potential to become a health tax. More than that, it has the potential to be the bill to show that this government truly cares about Canadians.

Money from this bill should go to health promotion, education of the dangers of tobacco addiction, aid to tobacco farmers and workers in the tobacco industry and to medicare, to provide the best care possible for people struck down by smoking related illnesses.

If the government would allow this bill to become a health tax, as the minister who has just spoken would like it to be, then Bill C-10 would be a further sign of promise in the fight against disease due to smoking.

This year alone, because of higher tobacco taxes, 700,000 Canadians are expected to quit tobacco. That is over 200,000 people who will be saved from death. One-third of that 700,000 would have eventually died from diseases related to smoking addiction.

In the first quarter of this year, Statistics Canada reported an all-time low in tobacco sales with a drop of 12.2 per cent. These statisticians believe the figure may drop because of people who quit short term for only one or two weeks because of the increase in the price of cigarettes.

What happens to these people? Surely they are more than a statistic. They are people who want to be free of tobacco but cannot break the chains. Why? It is much more than a question of will-power. Addiction to tobacco is one of the strongest addictions known, comparable to alcohol and heroin addictions. We are all acquainted with someone who is trying to quit or who has quit. The ordeal is a painful, arduous journey back from the control of nicotine. Sometimes it takes many attempts before someone is finally able to free himself or herself from the grip of tobacco.

Smokers face three barriers. There is the nicotine addiction, a physiological craving for it. There are habits and lifestyles such as smoking after a meal or with friends on coffee breaks. There is an emotional reaction which can be as strong as the grief for a lost loved one. We realize that.

Some people try to break the ties but they are unable. These people need more help. They need to learn the nature of the enemy, how to best combat the addiction. Acupuncture, laser therapy, cold turkey and hypnosis; are these the ways people are trying to deal with this addiction? This is a medical problem and it needs medical support and education resources.

Most of Canada's 6.4 million smokers hate the higher taxes, seeing themselves as targets in a make-money revenue scheme. Why? Be reminded that the government has raised taxes 32 times since it came to office in 1984. Others view tobacco taxes as an assault on their rights and freedoms. Nothing is ever that simple. Non-smoking advocates are not lifestyle police, they are simply people who care for the health of themselves and others. They do not wish ill to the men and women who work in the tobacco industry, but there are some facts which cannot be denied about the nature of the tobacco companies.

They target children. They flaunt government laws and they have blatant disregard for the serious health risks posed by tobacco addiction.

• (1020)

I truly believe that if they were interested in the well-being of their workers they would put some of their money and profits toward retraining in other skills.

Interestingly enough, the president of the Tobacco Manufacturer's Council, a close personal friend of the Prime Minister, will never admit smoking causes disease. In a letter to the former finance minister he commented on the "alleged risks of smoking". I would like to underscore the word "alleged", the alleged risks of smoking. In Canada each year 35,000 smokers die. This is not some happenstance coincidence. This is not an alleged risk. This is a real risk. These people die from diseases caused by their addiction.

Death is never pretty, we all know, especially death due to smoking. The tar and chemicals of decades destroy lung tissue, leaving it blackened and cancerous. Emphysema chokes off the smoker's air, leaving him gasping for life's breath. Only heart disease sometimes strikes quickly. At other times it merely cripples, with the patient living in fear of that paralysing pain shooting through the left side of the chest.

Non-smokers are not immune to smoking diseases. Second hand smoke is also a killer, causing an estimated 53,000 deaths in the United States each year. In Canada, with a smaller population, it is roughly one-tenth the American figure; five thousand Canadians.

Smoking harms the innocent; family members and co-workers. Even the unborn cradled in the womb of the mother can be harmed as chemicals pass from her bloodstream to the developing child.

You must never forget the children. They could be your children or they could be mine, lured to tobacco because of the look, the feel and the cachet of a cigarette. Maybe they are drawn to tobacco because their parents smoke or because all their friends do. Perhaps they are the dupes of the tobacco industry's advertising campaigns, which display smoking as glamorous and cool, the adult thing to do.

Maybe these boys and girls never planned to become smokers with a pack a day demand on their lungs, but it happens. That is the nature of addiction. It pulls youth in and it takes their lives away from them.

In this country a half million children are addicted to tobacco. Because of higher taxes, this year alone 100,000 of these youths are expected to quit. Another 30,000 will never begin, dissuaded by the cost of tobacco.

Your kids and mine could be the smokers of tomorrow unless we move to stop them.

This bill is inherently flawed in its follow through. It is a deterrent to smoking but it offers no help for the people who are most affected by it.

I believe in higher taxes as a deterrent to smoking, as has been shown by a study by the Addiction Research Foundation of Toronto, the health promotion branch of the Ontario Ministry of Health and the tobacco products section of Health and Welfare Canada entitled "Effects of Pricing On Cigarette Use among Teenagers and Adults in Canada, 1980-1989", released February 1991.

I do not believe in taxing people on the back of an addiction and then leaving them with nothing. This tax should not be another GST. The government calls this tax "part of a comprehensive strategy for reducing tobacco consumption in Canada".

Then why does the government not go the extra mile and put the tax money back into helping the people? Is this a tax grab disguised as health policy? I have here a description of the bill given to me by the office of the Minister of State for Finance. In the second last paragraph on the last line it says: "As well these taxation measures reinforce the government's comprehensive strategy for reducing tobacco consumption in Canada". This seems suspiciously like an afterthought.

Revenues from Bill C-10 should go toward four causes or programs if this government truly is sincere in helping smokers quit and not letting this be a tax grab. First, health promotion and education to give people the facts about smoking. A recent poll showed that the dangers of smoking have not yet registered with the majority of the smokers. The word must get out. People must be informed.

Second, support programs to help people quit. Tobacco addiction is one of the strongest known. To quit requires the help of many people, family and friends, plus health care professionals. Today the resources are simply not there.

Recently I received a report from the Canadian Nurses' Association, released in October 1990. Canadian nurses across the country tell us they need help. They need help with their programs to help nursing students and to help nurses quit smoking. We should support this.

Third, we should establish special funds for medicare. It is cruel for the government to take the tax money of a smoker and not offer him or her any help to break free from nicotine. It seems that the government wants these people to stay addicted, perhaps to line the coffers with tax revenues. Money should also be given back to the medicare system to provide the people and equipment to save as many smokers as possible.

Fourth, there is another group drastically affected by the decrease in smoking, the tobacco farmers. As demand for tobacco decreases, what will happen to these men and women? They need programs to find alternative crops. Diversification will be a necessity in the years to come.

It is my understanding that two programs were established to help tobacco farmers. The Tobacco Transition Adjustment Initiatives program or the TTAI was meant to ease farmers out of the tobacco market. It was meant to retire quota, buying it from farmers and writing it off the books, truly a worth-while initiative.

It was established in 1986, but funding did not start until 1987. In March of next year what is left of the program will die. Ontario, with over 1200 tobacco farmers, will lease the TTAI in March, while New Brunswick lost it in 1989. Nova Scotia, Prince Edward Island and Quebec, which together have fewer than 150 farmers, have had the program extended until March of next year.

This is a program which had a budget of $53.2 million. From C-10 alone the government will earn $1,400 million in one year. I would like to call to the attention of Canadians that this government must be called to task whether this is really a health tax and not a tax grab.

The other program, called the Alternative Enterprise Initiative program, was opened to tobacco farmers to help search for alternative crops. Tobacco grows on a light, sandy soil which few other crops can tolerate, I am told by one report from Agriculture Canada, but there is hope another commercially viable alternative can be found. That is where the research component of the AEI comes into play. Years of research brought canola to Canadian fields. More research might bring help to tobacco farmers.

How much is the government spending on this type of research, development and study? Only $15 million, of which, according to sources at Agriculture Canada, only $10 to $11 million has been allocated. Meanwhile, the government will make $4 billion this year in tobacco taxes alone.

There is one more thing we should know. The government is cancelling the AEI program at the end of this fiscal year.

What are the government plans for the future of this business? Can a "comprehensive strategy" include aid to tobacco farmers?

In March tobacco growers met with the former finance and agriculture ministers to ask for support. To renew TTAI and the tobacco component of the AEI would be one way the government could show its support and true genuine sincerity to the cause.

I have been told by the office of the Minister of State for Finance that together the changes in the excise levies on tobacco products and the new tax on tobacco inventories will raise an additional $1.4 billion in the 1991-92 fiscal year. In the following three years $1.14 billion, $1.03 billion and $980 million will be raised respectively. As I said, this year alone the government will realize $4 billion from taxes and tobacco.

• (1030)

Surely, some money from these billions can go toward helping those saddled with addiction, for education of everyone in every aspect of society, and tobacco farmers. The government must show sincerity and earmark this money for those in need. There is no doubt that taxes on tobacco bring in big money for the government—thousands of millions of dollars. It is also clear that, by the law of diminishing returns, as tobacco taxes increase more people will quit smoking until the revenues realized by these taxes will be diminished.

So what? An estimated $7 billion per year is spent to heal people suffering from diseases related to smoking. There is no possible way to measure the value of these lives to society and to their loved ones. These are real people, not cash cows ready to be milked because of an addiction. There are others already taking advantage of these people: the cigarette companies. These companies target children in their campaigns while arguing they are trying to convince people to change brands. That simply does not compute. Roughly 10,000 Canadians per month light a cigarette for the first time. Most of these people are under the age of 18.

If the companies did not attract kids to smoking they would have no customers, hence no industry. All the smokers will eventually quit. The tobacco industry needs new blood to fuel its business, but unfortunately its business is not what Canadians want at this time. We should help them search for other types of business.

Only then can we truly have a comprehensive strategy against smoking.

With C-10 the gap between the cost of tobacco sticks and loose tobacco is closing. This could break the market for tobacco sticks, indeed. I believe Canadians should have every right to protest taxes, but they must not use this protest in a way that would jeopardize the anti-smoking campaign to save the lives of our youth. The government should not put profits before people. The government, if it truly cared about Canadians, would take the opportunity of this debate to prove itself an ally of the people of Canada, all of them. There is no excuse.

I ask the government to take necessary action. I also urge the government to help the people of this country be free from tobacco. Educate everyone, warn everyone. Do not be confused by the industry's smoke-screen. Take revenues from C-10 and use them to break the cycle of addiction. Help farmers find alternative crops. Do not settle for half measures if you are truly interested in saving Canadians.

I will end by reading from a story in *The Ottawa Citizen* that appeared last week, entitled *Heavy Smoker—My Father* by Janice Kennedy, and I quote:

> My father's last four months were spent inside the hospital. He was too weak to get out of bed. And besides, most of the time he was hooked up to some kind of apparatus. The final month he couldn't even speak, having undergone a tracheotomy that eased his painful breathing a little but silenced him.
>
> His final days were marked by a strange, wild-eyed look. It came over him as the plastic breathing tube filled and he fought in desperate silence for air.

The bill before us, if it is truly to be a health tax, must be earmarked for people who would like to stop smoking, for people who are ill as a consequence of smoking. We should also help the industry to find alternative business. In this way we can all be true Canadians concerned for the health and livelihood of all.

* * *

BUSINESS OF THE HOUSE

Mr. Cooper: Madam Speaker, there have been some discussions to approve the following motion.

> That, not withstanding the Standing Orders and usual practices of the House, on Friday June 14, 1991:
>
> In "Routine Proceedings" a government bill placed on notice on Thursday June 13, 1991 be introduced and read a first time and deemed printed, such bill to be in respect to British Columbia grain handling operations; and
>
> No later than 12.30 p.m., the Minister of Labour shall move second reading of the said bill; and
>
> No later than 1.30 p.m., the Speaker shall interrupt any proceedings then underway and put forthwith and successively without further amendment or debate, all questions necessary to dispose of the said bill at all stages, provided that any request for recorded or deferred divisions on any of the said questions not be receivable; and
>
> That the regular Friday order of business then be called; and
>
> That if the normal hour of daily adjournment is reached and a message from the Senate has not yet been received respecting Royal Assent, the House will suspend to the call of the Chair until such message is to be received; and
>
> That upon returning from such Royal Assent, the Speaker shall forthwith adjourn the House until 11 a.m. on Monday June 16, 1991.

Mr. Rod Murphy (Churchill): Madam Speaker, we have a problem with the very restrictive House Order that has been presented to the House, for a number of reasons.

First of all, the wording of the House Order as it is presently does not guarantee that any member of the New Democratic Party will have a chance to say anything or ask any questions of the minister. Therefore, before we can agree to this House Order we have to ensure that we have an opportunity to participate, that our positions are stated and that the questions we wish to ask of the minister are asked.

Second, and this is just as important to us, our labour critic has a number of questions that she wants answered by the minister before we can agree to a House order.

We want to ensure we know what we are entering into and what the minister's intentions are before we agree to something which in effect prevents any chance by the opposition to really delay the government's intentions.

We want to know exactly what the minister is up to, what he is going to guarantee to the workers and their families in this situation before we agree to any particular House order.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, my colleague has indicated our concerns about this legislation. I have three questions that I would like to ask the minister for a clear response before we proceed with this motion.

The first question is will the minister assure the workers in the Grain Workers' Union and their families that he will not accept an arbitrated 12-hour award, which would be in contravention of other legislation, unless the two parties have agreed to the 12-hour award?

Second, will he, if the arbitrator suggests it, agree to an independent commission to look at the impact of the 12 hours on workers' health and safety and on their families? Would that commission be made up of something like a lawyer, a doctor and one other? In addition, would he agree to work with me to improve legislation in the federal jurisdiction in the future to try to avoid some of these kinds of situations?

Third, would he agree not to proclaim part two pre-emptively prior to there being a dispute in Prince Rupert?

Hon. Marcel Danis (Minister of Labour): Madam Speaker, with regard to the three questions asked by the labour critic for the NDP concerning the continuous hours of work and the 12-hour shifts, the Canada Labour Code prohibits such a practice now unless both parties agree.

If they agreed, through a voluntary collective agreement, to such a system of work then most likely I would also agree. My interpretation would be this. If a 12-hour work shift, 12 continuous hours of work, was imposed by an arbitrator in a collective agreement, then to me that would not have been voluntary agreement by the workers. In that particular case, it would still be contrary to the Labour Code and in that case, of course, I would not breach the Labour Code.

• (1040)

The second point is that the hon. member asks whether I would be agreeable to an industrial inquiry if asked for by the mediator arbitrator. I would like to remind my hon. friend that I gave instructions to my top officials about this issue when they went to Vancouver earlier this week to meet with the parties. When Mr. McDermott met with the unions, this idea of an industrial inquiry was well received by the unions. It was not well received by management.

Of course, if asked by the mediator-arbitrator to proceed on that route, I would certainly be very agreeable to facilitate that.

With regard to her third question, whether I would agree to work with her with a view to improving industrial relations in the federal sector in Canada, I would certainly be willing to do that. At the same time, I would remind her that Labour Canada has definitely the best record of any provincial jurisdiction in its settlement of collective agreements as we do settle over 90 per cent of them without work stoppages. But that does not mean that there is not room for improvement. Of course, I would be very happy to work with her to study that matter and see how we can improve our industrial relations contracts in Canada.

With regard to her last question, how we would proclaim Part II of the proposed legislation, I can give my word to my hon. friend that there will be no proclamation of that, until and if, there was a work stoppage. Even then, there will be no proclamation until there was consultation with my friends from the opposition.

Mr. Cooper: Madam Speaker, I would like to indicate there is a further question regarding an opportunity for the New Democratic Party to speak.

I want to indicate that we on this side are quite prepared to go with the 10-minute speech from the minister. It is my understanding that the Official Opposition is prepared to co-operate to the same degree. Certainly, what we want to signal to the New Democrats is that we are more than willing and will do everything in our power to make sure they have time to make some remarks and to ask the questions they feel are necessary during the Committee of the Whole stage of the bill.

Ms. Langan: Madam Speaker, I would first like to thank the hon. minister for his forthright answers. I appreciate that he has put those answers on the record. I believe that he will live by those responses, and I thank him for that.

I would also like to thank the hon. parliamentary secretary, the equally as short person as I am, for his agreement to ensure that the New Democrats have an opportunity to put our views forward on the bill in terms of the questions in Committee of the Whole. On that basis we will agree.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I understand there is a disposition to proceed with this bill at this stage. In view of the assurances given by the minister and by the parliamentary secretary, we are prepared to give our co-operation by seeking an agreement where all three parties would each have a 10-minute speech, subject to questions that may be asked in Committee of the Whole, which I think is a separate issue.

I am happy to concur with the motion.

Madam Deputy Speaker: The House has heard the terms of the motion, as read by the parliamentary secretary. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-10, an act to amend the Excise Tax Act and the Excise Act be read the second time and referred to a legislative committee.

Mr. Jim Karpoff (Surrey North): Madam Speaker, I rise to resume debate on Bill C-10. I find myself in the strange position of being in full support of the government on this piece of legislation.

I think legislation that increases the tax on tobacco, if it is viewed properly as a health measure rather than as a revenue measure, is to be applauded. Of course, the bill will increase the tax by about $6 a carton, or 3 cents a cigarette. It will raise approximately $1.4 billion this year, reducing down to $980 million in three years. It will raise $1.4 billion in the first year.

It is interesting, of course, that the Minister of Communications and the former minister of health spoke on this bill. I think he should be congratulated because when he was the minister of health he brought forward a number of anti-smoking initiatives that have paid off for Canadians.

One of the things we have learned in relation to cigarette smoking is that there is a correlation between the tax rate and the number of people who smoke. An increase in cigarette taxes will immediately reduce consumption by 8 per cent to 12 per cent. It has been estimated that if cigarette taxes are increased 20 per cent, it would reduce the total number of smokers by 800,000 if you added together those people who would quit smoking and those who would not start smoking.

Since the government has initiated a combination of accelerating tax increases and anti-smoking campaigns, including bans on advertising in 1984, there has been to the end of 1990 a decline of 40 per cent in Canada of smokers. This is one of the better records in the industrial world.

It is important that we put into perspective what the implications are for Canadian society of the use of tobacco. Tobacco-related illnesses now kill 38,000 people in Canada a year, 38,000 Canadians. It kills more Canadians than alcohol, drug abuse, car accidents, industrial accidents, fires, murder, suicide and AIDS combined. So it is by far one of the major causes of death in Canada.

In addition, it costs untold billions of dollars within our health care system to treat people who have smoke-related illnesses. At a time when our community is trying to grapple with the increase in our health care costs, and trying to develop efficiencies and ways of reducing expenditures, there is probably no more positive step that the government can take to reduce health expenditures, than to reduce the consumption rate of tobacco.

I do want to spend a little bit of time talking about the reactions from the tobacco companies. The tobacco companies, led by that friend of the government's Bill Neville, have started a mail-back campaign to try to convince the government that it should reduce the tax on tobacco products.

• (1050)

This mail-back campaign is in clear violation of the Tobacco Control Act. I still feel that the federal government should have immediately initiated court action seeking an injunction to prohibit this mail-back campaign pending the decision of the Quebec court as to the legality or the charter worthiness of that piece of legislation.

It is interesting that the tobacco companies had maintained that one of the reasons they were opposing the Tobacco Control Act is that they did not have the technical capability to put inserts in tobacco products with health warnings on. They did not have the ability to do that by the deadline of June 1, and therefore were delaying it.

At the same time, how hypocritical they were when they, all of a sudden, decided that they would have a mail-back campaign. They had the immediate technology to print and put inserts into tobacco packages to direct a message to the Prime Minister.

It is this kind of hypocrisy from the tobacco industry that is so characteristic of its approach. It is very important that Canadians fully realize what the tobacco companies have been doing in relation to promotion of their products.

Documents filed before the Quebec Superior Court indicate very clearly, I will use the words of the member for North York, insidious, pernicious and unethical tactics used by the tobacco industry advertisers to sell death to youths and to other healthy consumers.

The documents filed in that court very clearly spell out what the tobacco industry and the health community already know. To get people to smoke, one must get them early. Ninety per cent of all smokers start before they are 18. A study was done in the United Kingdom that clearly documented this. Ninety per cent of all smokers started before they were 19.

I guess I have something to relate to that. I started smoking when I was 13 or 14, and I smoked for far too many years, up to my early thirties, two or three packs a day. I know the kind of image that the tobacco industry portrayed. It was geared to young smokers, and that was one of the reasons I got involved in smoking. This is repeated time and time again.

The tobacco industry, from the confidential memos that were obtained in a court in Quebec, clearly indicated that they were targeting those as young as 12 years old. Some of the things that were revealed in the court case were that when numerous studies were linking smoking to death by cancer and heart attacks, tobacco companies were still conducting extensive research on young smokers.

It clearly showed that that industry is dominated by companies which respond most effectively to the needs of young smokers. What the tobacco companies found is that if they are going to survive, they have to cater to young smokers. Studies in England showed that they have to recruit 300 new smokers a day to replace the ones who are dying off at the other end. This is what the companies do. They realize that the youth is their major target group. Documents before that court stated very clearly: "Young smokers represent the major opportunity group for the cigarette industry. We should therefore determine their attitudes to smoking and health and how this might change over time."

It goes on to say that they realize serious efforts to learn to smoke occur between the ages of 12 and 13 in most cases. It also says that they have been able to document among users that starters no longer believe the dangers of smoking and they universally assume that the risks do not apply to themselves.

This is one of the characteristics of young people. When one talks about all types of hazards, they have a tendency to assume a sense of bravado, of risk taking. They think that risks apply to somebody else, whether that is driving a car fast, taking risks in outdoor adventures or starting smoking. They like to take risks, so they simply say: "Those risks don't apply to us and we are willing to take that risk if it gains us something".

One of the things that the tobacco industry discovered in its research was that very young starting smokers choose Export A because it provides them with an instant badge of masculinity, appeals to their rebellious nature and establishes their position among their peers. In other words, the tobacco industry did research on the dynamics of teenagers and adolescents and then developed a product that would appeal to that rebellion, to their masculinity and to their acceptance among their peers, all of which are very, very important to teenagers.

The tobacco industry is certainly, at this point in time, desperately trying to protect its share of the market and its profits. It is initiating the mail-back campaign, not because of any concern about taxes in Canada, but because it is frightened that the government's efforts to reduce cigarette smoking are being successful. Those government efforts are based on a double-barrelled approach of raising taxes and prohibiting a type of advertising.

One of the things on which I think the government has not been aggressive enough is in the matter of tobacco advertising. It has brought in some legislation under the Tobacco Control Act, but it has not rigorously pursued the enforcement of that. It has not taken the initiative and proclaimed the regulations that were supposed to be in place on June 1. It has not stopped the tobacco mail-back campaign and it has not proceeded with other recommendations.

The health committee has looked at this issue and people have said repeatedly that there should be a total ban on all tobacco advertising, including a ban on promotion. One of the things that the companies like to do very much is say: "We are not advertising, we are promoting a sports event, or a cultural event". But, of course, their brand names, their company logos, all of the things, their colours that are identified with their brands and with cigarette smoking, are used to promote their product.

New Zealand did a major study of 33 countries, looking at the impact of the banning of tobacco advertising. They found conclusively that the banning of tobacco advertising does have a dramatic impact on the number of smokers and the recruitment of new smokers.

I want to turn my attention now to what I think the government should be doing in relation to the revenues which it has—

Madam Deputy Speaker: Order, please. It being 11 o'clock a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SYRIAN JEWRY

Ms. Barbara Greene (Don Valley North): Madam Speaker, the North American High School Organization network is a Jewish student movement with representation across Canada. The issue of Syrian Jewry is of great concern to them.

At present there is an urgent call for action against the Syrian government due to the torturous acts and oppressive conditions which Syria is inflicting upon the Jews living there. These Jews are not allowed to emigrate; they are often beaten, tormented, abducted and imprisoned. They are denied the basic human rights, according to the United Nations Declaration of Human Rights to which Syria is a signatory.

An example of this is the case of Elie and Selim Swed. They were imprisoned for three and a half years without being charged and were constantly tortured. They were recently sentenced to six and a half more years in prison in a trial where they were not allowed a lawyer or to speak, and no charges were made public.

The Government of Canada has always supported the cause of oppressed Jewry and human rights. Along with all members of this House, I call upon the government of Syria to comply with the United Nations Declaration of Human Rights and allow those Syrian Jews who wish to emigrate to do so freely.

* * *

PARLIAMENT OF UNITED CANADAS

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, on this date in 1841, 150 years ago, the first Parliament of the United Canadas opened in Kingston, Ontario. The opening of Parliament marked the reunion of Upper and Lower Canada in one province and established the ground work for Confederation some 26 years later.

Though the new Parliament started slowly with newspapers of the day referring to it as the "do nothing but talk session", spurned on by the development plans of Governor General Sydenham, it eventually passed acts which provided for the purchase of and expansion of the Welland Canal, for improving navigation aids in the St. Lawrence River, and for building new roads. In addition, a new Board of Works was established to oversee ambitious new construction projects.

Madam Speaker, as Canadians debate the future of our country, let us remember the work of our ancestors 150 years ago. They knew then what we must remember today, that our future prosperity lies in a united Canada, not in a nation divided.

* * *

CHINA

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Madam Speaker, having had an opportunity recently to visit the People's Republic of China, I rise today to encourage the Government of Canada to move toward normalization of trade relations with China.

Northern Telecom, Ingersoll-Rand Canada, Alcan and Lamko Tool & Mold are examples of recent successful joint ventures in China.

My recent visit demonstrated to me that more trade with China would in fact be helping the people of China raise their standard of living, not to mention that it would create jobs in Canada also.

The policy of reform and opening to the outside world should be encouraged as it is the road to lead China to economic and social prosperity.

Japan, Italy, Australia, Britain and the United States have taken steps to normalize relations with China. I encourage Canada to do the same.

* * *

HEALTH CARE

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I rise today to denounce one aspect of a recently issued report by a group of former politicians and industrialists who refer to themselves as Group 22. This group calls on the federal government to completely withdraw from the national health care system. The report states that the federal government should have no role to play in health care and that existing federal involvement, namely maintenance of national standards and banning of extra billing and user fees, should disappear.

We know that the Prime Minister was personally briefed by members of this group and it is reported that he was "genuinely interested" and "impressed" with the report. Canadians would like to know exactly which recommendations the Prime Minister is interested in and impressed with.

Madam Speaker, on March 29 this year the government voted against a Liberal motion stating "that this House reaffirms its commitment to medicare". The recent comments by the Prime Minister reinforce his government's lack of commitment not only to medicare but also to the well-being of all Canadians.

I urge the Prime Minister and his government to disregard this aspect of the report and maintain national health care standards under the Canada Health Act and more, restore adequate funding for Canada's medicare, the envy of the world.

S. O. 31

ERITREA

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I rise to support the Eritrean People's Liberation Front in its call for a free, fair and open referendum on the future of Eritrea.

Forty years ago, the great powers forced an unhappy Eritrea to join with its traditional enemy, Ethiopia. The ensuing war caused between 250,000 and 350,000 deaths in Eritrea alone.

Now the war is apparently over, but long-term stability is far from guaranteed. Sectarian fighting continues, and millions of people are still dying of starvation and avoidable disease in the Horn of Africa. A secure lifeline of assistance to these people is possible only if Ethiopia's wasteful and destructive civil war comes to a permanent end.

[*Translation*]

More specifically, obtaining a permanent solution to the problems of this region will require a peaceful settlement of the status of Eritrea that respects the wishes of the majority of the Eritrean people.

[*English*]

I therefore urge the Canadian government to follow the example of Sweden, Denmark, Norway and other countries in upholding the right of the Eritrean people to define their own future.

* * *

[*Translation*]

REFORM PARTY

Mrs. Nicole Roy-Arcelin (Ahuntsic): Madam Speaker, I was both amazed and disappointed when I heard the Reform Party's narrow-minded and outmoded views on multiculturalism.

The party's statements merely help spread misconceptions about our policy in this area. Multiculturalism is based on the concept that all Canadians have the same economic, political and social rights. It is a concept that favours equality and is opposed to racism and discrimination.

The Reform Party and its leader are urging Canadians to believe in myths that can only breed discord. At a time when Canadians are trying to strengthen their unity, multiculturalism remains one of the most powerful tools this country has ever had to achieve that goal.

I would like to repeat, for the benefit of members of the Reform Party, that this government is intent on using every means at its disposal to help create a Canadian identity that everyone of us can truly share.

* * *

[*English*]

FISHERIES

Mrs. Coline Campbell (South West Nova): Madam Speaker, the Department of Fisheries and Oceans is about to impose another disastrous policy on Atlantic fishermen, user pay dockside monitoring.

The government had two alternatives. It could have retained the past system of hailing, log books and random checks. This would have meant a bit of work for fishery officers. It could have gone to a system which the industry wanted called the "paper chase" because of so much paperwork for the fishermen and the processors to keep accurate records for the Department of Fisheries, because it does not trust anyone.

What did the fishermen get? They got the weigh master system, an employment program sponsored by the Department of Fisheries which the department wanted and which will mean longer waits and much higher fees to the fishermen who have to foot the bill.

No one supports this new system, as has been seen in Newfoundland, and will be seen in Nova Scotia and other areas.

The Department of Fisheries and Oceans has once again ignored the fishermen and gone ahead with a policy that has no benefit for those involved.

* * *

THE PRESS

Mrs. Edna Anderson (Simcoe Centre): Madam Speaker, after reading Marjorie Nichols column in the June 13 *Citizen*, I was gratified to think that there is at least one member of the media who is willing to take the time to research its articles and to print the true facts instead of distorted untruths.

Is it any wonder that we hear so much negativism from Canadians across this country when they are exposed to a steady diet of gloom and doom, distortions and misinformation.

The media must start taking its role in society seriously and start acting in a non-partisan, responsible way, giving Canadians the facts and nothing but the facts, and letting them make up their own minds as to the effectiveness of this government's policies.

* * *

MULTICULTURALISM

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, the spirit of multiculturalism is ultimately the spirit of Canadian unity. Multiculturalism makes it possible for all Canadians to fully contribute to the building of a stronger and more united Canada.

The Canadian Multiculturalism Act unanimously adopted by the Parliament of Canada seeks to remove the barriers that divide us from one another, barriers such as racism and discrimination.

In its repeated attacks on multiculturalism the Reform Party and its leader shows it knows little or nothing of what this great country is all about.

On the other hand in the Globe/CBC poll in April 84 per cent of Canadians, 84 per cent said any new constitutional arrangement must reflect the multicultural nature of Canada. It is very easy to appeal to people's fears and uncertainties. It is very difficult to build a society of fairness and equality of opportunity for all. Mr. Manning has chosen the easy path. This government, which has done so much to bring a new vision to Canada, will not.

* * *

• (1110)

[*Translation*]

MONTREAL ECONOMY

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I have raised the issue of Montreal and its dramatic economic situation in the House many times. We have had a debate in this House on the situation in Montreal, and the people of Montreal are becoming increasingly concerned. Recently, the Quebec Caucus, which I have the honour to chair, discussed the sad fact of a declining economy, increasing poverty and lack of employment in the Montreal region. I had the privilege of seconding the motion in which the leader of our party, Jean Chrétien, took an active part. And now we have the minister responsible for Montreal, the hon. member for Anjou—Rivière-des-Prairies and Minister of Transport, again saying sorry, he is not responsible and the economy in general is to blame, this at a time when jobs at Air Canada and at the Bank of Canada's branch for foreign exchange services are being moved to Toronto. Once again, the minister has not been doing his job.

Madam Deputy Speaker: I am sorry but the hon. member's time has expired. The hon. member for Okanagan—Shuswap.

* * *

[*English*]

GOODS AND SERVICES TAX

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, up to one third of Quebec's bookstores might have to close because the GST is causing such a drastic drop in sales. Across Canada, publishers report that revenues are down 20 to 30 per cent.

The Coalition against Taxes on Books claims that plunging book sales can be directly attributed to the GST. Canada's magazine industry despairs and publishers are reeling from a triple dose of gloom and doom: recession, impending postal rate increases and the hated GST.

Some time ago the Prime Minister mused publicly that his government would reconsider the wisdom of this tax on literacy, and in the recent Throne Speech the Prime Minister gave his commitment to develop a learning culture and enhance Canadian literacy.

I appeal to the Prime Minister to demonstrate this commitment in a tangible way by seizing this opportunity for action. Repeal the GST on books and magazines immediately and help breathe some life back into the Canadian publishing industry. Stop this unfair and punitive tax.

* * *

ONTARIO LEGISLATURE

Mr. Bill Casey (Cumberland—Colchester): Madam Speaker, for a few moments yesterday I saw some common sense in politics. It involved the Liberals and the NDP in the Ontario legislature, no Conservatives. When Premier Rae announced that two new ministers had tendered their resignations as a result of each making a mistake, I was pleased and even proud to be a politician when the Liberal leader, Bob Nixon, stood in his place and suggested that it might be appropriate for Mr. Rae to refuse these resignations. I thought this a common sense approach.

In no other reasonable human endeavour that I know of would someone be required to lose their position for one mistake. There is a difference between mistakes and the intent to do wrong and they should be treated differently.

I applaud Mr. Nixon's first position on this issue because it is the position that most Canadians would take in real life, but then again politics is not much like real life.

* * *

CULTURAL AFFAIRS

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, often the role of our artists is overlooked. Recently, the Professional Association of Canadian Theatres eloquently expressed that role with which I concur and promote.

They said:

> Artists are the imagination of a culture, of a country. Through their creative endeavours, artists keep a community in touch with where they have been, where they are and the possibilities for the future.
>
> The government's cuts to Canada's cultural institutions are squeezing the life out of Canada's arts organizations and independent artists. And without artists, who will reflect the unique, diverse, rich experiences in all regions of this country?
>
> As Canada faces the complex challenges of the next millennium, the country needs to further unleash the powers of the artistic imagination, not strangle it.
>
> As theatre artists, we call upon the federal government to reinstate and increase funding to the Canada Council, the National Arts Centre, the CBC, the National Film Board, and Canadian museums. We call upon the government to pay more than lips service to developing a creative vision for Canada.

I add, as a word of warning to this government, in the interest of national unity and Canadian identity—

Madam Deputy Speaker: The hon. member's time has expired.

Oral Questions

AGRICULTURE

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, the extraordinary challenge of the committee reviewing the free trade agreement panel decision in the pork industry case has sustained Canada's position.

Let me tell you the importance of this to Canada. It tells everyone in Canada that the free trade agreement will work, given a fair opportunity. Obviously we are pleased with the decision that the committee made. The result proves the value of the free trade biannual panel, in fact it sustains itself and will do so in other cases.

Good luck to Canadian pork producers. Their pork is going to now go across the line free of any encumbrances.

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, my question is for the Deputy Prime Minister. Two days ago the Minister of Employment and Immigration said the government had been counselled to lie in the Mashat affair. Yesterday, the same minister said that the government had only been counselled to mislead. There is no distinction between lie and mislead.

Will the Deputy Prime Minister confirm to the House whether the Minister of Employment and Immigration, who stated in the press yesterday that the misleading advice was contained in so-called "House cards" advising ministers to respond, and I quote: "Mr. Al Mashat met the requirements as a retiree, was processed under normal standards, and was not accorded preferential treatment".

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the Minister of Employment and Immigration responded to questions of that nature in the House yesterday, and I believe he responded outside the House. I have nothing further to add.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary is for the Deputy Prime Minister. The Minister of Employment and Immigration has told members of this House and has told the national media that the Government of Canada was counselled to give misleading information to Canadians.

Would the Deputy Prime Minister explain to members of this House exactly what information was the misleading information?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member would have to direct that question to the Minister of Employment and Immigration, who unfortunately is not in the House.

Mr. Tobin: Which far away country did you send him to?

Mr. Mazankowski: The hon. minister is a member of Parliament and also a cabinet minister. He has important duties to discharge. I think my hon. friend from Newfoundland would understand that.

He did explain the position, and also his poor choice of words as he suggested he may have used, thereby resulting in a misinterpretation. I think that he has come forth in a manner that befits the integrity of the institution and befits his own integrity.

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the doctrine of ministerial responsibility, as defined by the Secretary of State for External Affairs on May 30 states:

> When an error is made of which the minister is unaware, the minister acts to establish the facts, corrects the error and, in addition, promises that the offenders will be disciplined and that their mistakes corrected.

My question is for the Deputy Prime Minister. When the government became aware that a minister had been counselled to mislead the people of Canada, what action did the Government of Canada take against those who counsel such misconduct? Can the Deputy Prime Minister inform the House of the action that was taken? Can he also inform the House what actions have been taken against the senior public servant in this country, Mr. Paul Tellier?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, that is precisely what was done. The Secretary of State for External Affairs has indicated in this House that corrective measures were taken so that this kind of issue would not occur again.

The hon. member may have some deviation or some suggestion with respect to how ministerial responsibility should be performed within the context of our parliamentary democracy. I think it is quite clear that the McGrath commission brought down some explicit terms of reference and guidelines, which indeed are followed. If the hon. member has some suggestions to make or wants to pursue the whole issue of ministerial responsibility in the context of parliamentary reform, I suspect

that that is a suggestion that could very well be put to the appropriate committee. Perhaps we would be interested in knowing.

Mr. Tobin: What committee? You would close it down.

Mr. Mazankowski: A procedural committee. There are many standing committees. We would be very interested in seeing what sort of deviation from existing principles of ministerial responsibility he would like to see changed.

• (1120)

Mr. John Nunziata (York South—Weston): Madam Speaker, the Deputy Prime Minister is unclear in his answer. The official chronology, version B, suggests very strongly that it was Paul Tellier, the Clerk of the Privy Council, who counselled cabinet ministers to mislead Canadians.

I would like to put my question to the Secretary of State for External Affairs. The Minister of Immigration said that he was counselled by government officials to lie to Canadians. Was the minister of external affairs counselled to lie to Canadians, and if so, who was it that counselled her?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, all of this was made clear by the minister when he rose to speak in the House yesterday, that there was a House card prepared. That is clear in the chronology. That has been before the committee. The minister yesterday made his own statement in this regard and there is nothing further to add.

Mr. John Nunziata (York South—Weston): Madam Speaker, is it any wonder that Canadians from one coast to the other do not believe what the government is saying on this particular matter. Is it any wonder that editorial opinion right across the country is condemning this government for its handling of the Al-Mashat matter?

Madam Speaker, referring to cabinet ministers of the government, the *Montreal Gazette* today says "They behaved more like cockroaches scurrying for cover when the lights—"

Madam Deputy Speaker: The hon. member will put his question now, please.

Mr. Nunziata: "Scurrying for cover". Will the minister of external affairs—

Madam Deputy Speaker: The hon. member for Yukon.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is for the Minister of Finance.

Statistics Canada confirmed again today that inflation is still at 6.2 per cent. What Canadians have known for a very long time is that it is getting tougher and tougher to make ends meet and to put food on the table. While inflation is at 6.2 per cent, wage increases are half of that.

Clearly the government has decided to attack the wrong problem in attacking wage levels. Rather than attacking the wrong problem, why does the minister not do something to get on the right track and bring in real policies, and change policies like the GST, lower the interest rates and get the Canadian dollar down so Canadian families can make ends meet again.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the decline in inflation is encouraging. It has dropped from 6.3 per cent to 6.2 per cent. It is a small decline, but at least it is going in the right direction. I think we should recognize that included in the inflationary figures are the direct and indirect impacts of the various budgets across the country. In this case, this reflects the budgets of Ontario, Quebec and others, which have to be worked through the system.

Yes, as a matter of fact it is the GST and that has been recognized at the very outset. My predecessor indicated and we have confirmed that the GST would indeed have a one-time effect upon inflationary pressures. However, it was important to have this institution put in place for the benefit of our manufacturing industry. I say to the hon. member, who is suggesting we need to have jobs and improve our competitiveness, the GST does just that for the manufacturing sector.

Hon. Audrey McLaughlin (Yukon): A supplementary, Madam Speaker. I would suggest to the minister that he should go to some of the border towns across this country and look at the bankruptcy statistics and see how much good his policies have really done for the Canadian economy.

I would address my supplementary to the minister responsible for trade. Since the Canada–U.S. trade deal, Canadian wages have been falling as well, and trade experts now say that the trade deal with Mexico will result in a further decrease in Canadian workers' wages.

I want to ask the Minister responsible for International Trade what assurances he can give Canadian workers that wages will not fall. If he cannot give those assurances, will he stop the negotiations until he can come up with those assurances for the workers of this country?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I do not know why the hon. member would draw that conclusion. Since the free trade agreement with the United States came in, Canadian wages have gone up faster than those in the United States. So clearly it does not have anything to do with trade negotiations or trade deals themselves.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Madam Speaker, in Montreal, 200,000 people are out of work. One person out of four is either on unemployment insurance or welfare.

A few weeks ago in Montreal, I met employees in the garment industry. For these employees, free trade with the United States and Mexico will mean more jobs lost, but the government is going ahead regardless.

Will the minister have the decency to talk to these people whose jobs are being threatened, before continuing these talks? Look at the facts!

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, it might be of interest to the hon. member if she realized that John Forsythe Canada Limited is looking at the possibility of opening a plant in Mexico. The purpose for that is to transfer jobs from countries in the Far East into Mexico so they can serve the Canadian market better from Mexico than from places like Taiwan or Hong Kong.

* * *

NATIONAL DEBT

Mr. John Manley (Ottawa South): Madam Speaker, my question is for the Minister of Finance.

Earlier this week, the Minister of Finance introduced legislation to create the debt reduction fund that was previously announced in the February budget. Will the minister confirm that this debt reduction will itself be in a deficit position of almost $27 billion by the end of the current fiscal year and that after five years, the debt reduction fund will have an accumulated deficit of almost $122 billion? If we reduce the debt at this rate, we could be in big trouble before long.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thank the hon. member for that question because he simply demonstrates the magnitude of the problem that we have. Day after day after day, we have the Liberals and the NDP calling for the expenditure of more money. We have got to start putting a discipline on our expenditures.

Some hon. members: Oh, oh.

Mr. Mazankowski: Well, over 90 per cent of the increase in the debt that has occurred since we have been in office is as a result of the compound interest on the debt that we inherited, and Canadians had better not forget that.

In the days of the Liberals, the annualized increase in program spending was 14 per cent. Under the days of the Tories it was 3.7 per cent. We are exercising fiscal discipline, they did not.

Mr. John Manley (Ottawa South): Madam Speaker, I know that 1984 seems like yesterday to the minister, but it is time he started to take account for what he has been doing over the last seven years.

Now that it is clear that the government is going to have to borrow money to finance the debt reduction fund, will the minister admit that this is simply an attempt to use the statement of Public Accounts of Canada as another press line to distract Canadians from the real issue of this government's mismanagement?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, with those kinds of calculations, it is no wonder that we saw the national debt triple between 1981 and 1984 under the Liberal regime.

The fact of the matter is that it is costing this year $43 billion to pay the cost of servicing the debt. What we are saying is we want to carve out the amount of money that is collected from the GST to apply to that and eventually to apply to the pay-down of the national debt. I hope we have the support of the hon. member opposite, particularly when we bring in legislating spending caps because that will provide further discipline and further integrity and credibility to our program of fiscal consolidation.

* * *

• (1130)

PUBLIC SERVICE OF CANADA

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, my question is for the Acting Prime Minister.

Last December, the President of the Treasury Board released Public Service 2000 as the government's policy for the renewal and revitalization of the Public Service. The lines of responsibility were clearly spelled out as: "Ministers are individually and collectively responsible for the activities of government, including the management and conduct of the Public Service."

Given that the government unanimously voted against the motion affirming its own policy, I ask the minister: If this statement of ministerial responsibility is not the government's policy, what is?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I think that the position of the government as expressed in the white paper of PS-2000 is absolutely clear.

We have indicated in that white paper the massive changes that we want to bring to the administration of this government, and we are going to do it with the Public Service. I can tell you that after having visited a large number of cities all across Canada, I am convinced that they are in this with us, participating fully.

I can report today that this is progressing, well even though we have a very difficult environment.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, the minister obviously has no explanation for the conflict between the government's policy and the government's vote on Wednesday.

PS-2000 also says: "Public servants will be empowered and encouraged to be innovative, to show greater initiative and greater flexibility. Risk taking will be encouraged and rewarded".

Will the minister admit that in the wake of the Al-Mashat affair, risk taking and innovation are the last things on the minds of Public Servants? Will he admit that PS-2000, to quote Dian Cohen, is "dead in the water"?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, I will agree to no such thing, because the hon. member knows full well that this is not the case.

She referred to a vote that was taken in this House. She knows it was a vote of confidence. These are usual little tricks that are well understood by us. They may not be understood by everyone, but we know very well that we can read through that.

As for PS-2000, I can again repeat what I have said. It is proceeding with the full assistance of, I do not know how many thousands of civil servants, I have met. We are working at improving the empowerment.

It is a difficult change to go from a control-oriented organization to a citizen service concerned organization, but we are doing it and it is going on very well.

* * *

IMMIGRATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, my question is for the Secretary of State for External Affairs.

The Secretary of State for External Affairs indicated that the lie to which the Minister of Immigration referred yesterday was based upon an external affairs house card. I have a copy of that house card, and nowhere is there any lie on that document.

In view of the fact that the only lie that has been told was on the document which was prepared by the Clerk of the Privy Council, Paul Tellier, when he indicated that Al-Mashat got no preferential treatment, my question to the minister is this.

Was the minister also advised by officials to mislead or lie to Canadians and, if so, by which officials? What action has she taken to follow up on the statements made by her colleague?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, all of the things that relate to the house card were made clear in the chronology and were made clear in committee.

They have been available to the public for some time, and I am sure the committee will have its comments to make on them. I do not have anything to add to what my colleague said yesterday or to what I said in committee.

Mr. Svend J. Robinson (Burnaby—Kingsway): Madam Speaker, I have a supplementary question.

The minister's colleague yesterday said that he was briefed by external affairs officials to mislead Canadians. My supplementary is very straightforward.

Has she spoken with her colleague? Has she determined which officials briefed her colleague to mislead or lie to Canadians? Was she also briefed the same way?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, I find the questions a little difficult in this House, given that all of these issues have been dealt with in committee and it is clear in the chronology. I will be interested to hear what the committee has to say about this. My colleague and I have conferred on any number of aspects of this case, as the hon. member knows, and we have put procedures in place to ensure that this kind of thing does not happen again. That is what we are here to do and that is what we are doing.

GOODS AND SERVICES TAX

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, my question is directed to the Minister of Finance.

Later this day I will be tabling a petition of 50,000 or more signatures from Canadians across the country who are urging the government to remove the goods and services tax from feminine hygiene products.

Given the apparent discriminatory nature of this application of the GST, and since the petition is directed to the Minister of Finance, I will be giving it personally to the Minister responsible for the Status of Women in a few moments.

I would like to ask the Minister of Finance, will he remove the GST on feminine hygiene products?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thank the hon. member for his question. First of all, I don't believe that there is discrimination in the application of feminine hygiene products. As the hon. member knows, the purpose of the GST was to establish a broader base tax at the lowest possible rate. So the GST covers a broad range of goods and services.

It would be very difficult to consider a broad base of exemptions without affecting the actual rate of the GST. So the more exemptions that one would provide, the higher the rate would be. And, so, it would be very difficult to consider that at this particular time.

There are many basic necessities that bear the GST and, while I sympathize with the hon. member in this particular case, it would be very difficult to engage in a broader exemption than that already applied, which is essentially food and medical services.

* * *

VETERANS AFFAIRS

Mr. Jim Jordan (Leeds—Grenville): Madam Speaker, my question is to the Minister of Veterans Affairs, or perhaps to the Acting Prime Minister.

Approximately 2,500 Canadian men and women will receive their well-deserved volunteer service medals on June 22, a week from tomorrow. These medals are coming from the Canadian government for their contribution to the Persian Gulf war.

Will the minister advise the House why the government cannot at the same time either present or announce when the Canadian men and women who served in the Korean war will receive their well-deserved, distinctly Canadian, volunteer service medals for their contribution in the Korean war on behalf of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can advise the hon. member that that issue is under very active consideration, that is the voluntary Korean service medal. I hope that we will be in a position to announce it in the not too distant future.

I appreciate the hon. member's support in this particular area. I have been personally involved in it and I can assure him that they will be duly recognized, as they should be.

Mr. Jim Jordan (Leeds—Grenville): In view of the Deputy Prime Minister's answer, would it be safe to assume that the government is going to look favourably and generously toward these Korean veterans very, very soon? If that is a fair assumption, will there be an announcement soon telling Canadians when the medals will be presented, where they will be presented, by whom, and will medals be presented posthumously to the families of Korean veterans who were killed in Korea or who are since deceased?

Hon. Perrin Beatty (Minister of Communications): Mr. Speaker, on behalf of the Minister of Veterans Affairs, I am pleased to receive the representation from the hon. gentleman.

I can indicate to him that the whole issue is being studied very closely by the Minister of Veterans Affairs and by the Minister of National Defence. They will be making an announcement to the House as soon as possible and certainly will take on board any representations made by my hon. colleague.

* * *

RIGHTS OF THE CHILD

Mr. Russell MacLellan (Cape Breton—The Sydneys): My question is to the Minister of Justice.

As the minister knows, the government co-sponsored and signed the UN Convention on the Rights of the Child; yet in that convention it says that "any child that is deprived of liberty shall be held separate and apart from adults unless it is not in the interests of that child to do so".

• (1140)

Yet this government proceeds to house and jail children and young offenders with adult criminals. This is going to be made worse by the government's policies in Bill C-12, the amendments to the Young Offenders Act.

Why does the minister not just admit that the reason the government cannot ratify this convention is that it is prohibited from doing so by the government's own policies?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I think the hon. member's reference to the amendments to the Young Offenders Act is not in order for Question Period since it is before the House and he has the opportunity to make his representations there.

I think the hon. member will also recognize that it was his party which brought in the Young Offenders Act and that there are enormous difficulties presented to society in trying to draw distinctions between adult and young offenders and just create a system or regime that is fair and equitable.

I know my colleague, the Solicitor General, has considerable concern about the facilities for the incarceration of all people in Canada who come into violation of the law. I would say that we are very much committed to trying to have a system of justice that does justice to people of all ages in Canada. It is an ongoing preoccupation both with myself and my provincial colleagues to provide the appropriate facilities for young offenders.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, we finished the legislative hearings on Bill C-58, the predecessor legislation, in December and still we are waiting.

Also when this bill was passed by the former Liberal government it was the intention that young offenders be housed separate and apart from adult criminals.

It has been over a year since this convention was signed and co-sponsored by this government and yet it has not been ratified. I realize that the provinces have to agree, but the provinces also had to agree to housing young offenders separate and apart, which this government has just insisted on letting slide.

Why does the government not admit that it has no intention of fulfilling the mandate of the UN charter on the rights of the child? When, if it does have an intention of signing it, is this very important convention going to be ratified in this country?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Madam Speaker, the Prime Minister made the Minister of National Health and Welfare responsible for the children file. As my friend said before, the convention has been accepted and has been given to the provinces. We are still working with the provinces toward the ratification of the convention. It should be done normally this fall. It is going well.

I believe that the provinces give good collaboration, but I believe my friend will understand that if I work with the provinces we have to take the necessary time. The last summit was last September. We are looking forward to being able to satisfy my friend and all Canadians. Once again I believe that the question of convention will be ratified. It will be over, I believe, at the beginning of the fall.

* * *

TRADE

Mr. Stan Wilbee (Delta): Madam Speaker, my question today is for the Minister for International Trade.

One of the very positive aspects of the free trade agreement is a dispute settling mechanism. As we all know, Canada and the U.S. have been embroiled in a battle over pork imports to the United States. I understand that the results of the tribunal have been released.

I was wondering if the minister could give us those results and how they affect Canada and the viability of the pork producers across Canada.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I think that this is an extremely important question. I might say that we on the government side are very pleased, as I am sure colleagues on the other side of the House are also very pleased, with the results of the extraordinary challenge result that we heard today. We expect that this will be the end of the matter. The extraordinary challenge committee ruling today was binding. The countervailing duty will be revoked. It was a 3–0 decision on the matter.

An hon. member: Oh, oh.

Mr. Wilson (Etobicoke Centre): I think the important thing is the result of this decision today, and I want to quote very briefly from the decision as follows: "The request for an extraordinary challenge is dismissed for failure to meet the standards of an extraordinary challenge set forth under the free trade agreement".

I might say that the system has now been tested. It has been proved, and this confirms very clearly that the position the Government of Canada has taken all along in the court decision has been in the—

Some hon. members: Hear, hear.

* * *

GOODS AND SERVICES TAX

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, my question is for the Minister of Finance who suggested in an answer to my leader that in fact inflation had fallen his month.

After no change in prices in April, inflation was up by .5 per cent in this latest month of May. The increase over the past year, if we want to take those figures, was especially high in Quebec City at 8.4 per cent, Montreal at 8.1 per cent and St. John's at 7.7 per cent, all provinces where the GST was integrated with the provincial sales tax.

Will the government now concede that it is the GST which is pushing up the cost of living most, and will it act to cut the cost of living by cutting the level of the GST?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, just to make it very clear, the year–over–year increases in all items in the CPI was 6.2 per cent in May, down from 6.3 per cent in April and in March. It is a small modest decline, but it is a decline, and my hon. friend would agree with me that it is going in the right direction.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, let me quote the first line of the release this morning from the government's own statistical agency. It says: "The all items Consumer Price Index for Canada rose by .5 per cent between April and May after having shown no movement the month before". That is an increase, and the minister should recognize it.

In face of that increase and the possible consequences of that for increases in interest rates in this country, will the government commit itself to keep lowering interest rates so we get a lower dollar, more jobs, more export expansion, and help to end this recession?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member, I am sure, would have noted that the Bank of Canada rate went down four basis points yesterday, which is again probably the 13th or 14th successive decline, and as inflationary pressures recede so will interest rates drop. I think that is the most encouraging note.

Inflationary pressures are receding and the actual inflationary statistics prove that out. It is encouraging to note that it could then follow that interest rates could be reduced further still. At least that is obviously our hope and expectation, but it must be accompanied and it can only happen if we attack the root causes of inflation, the inflationary pressures and the inflationary expectations.

I am sure my hon. friend would welcome the fact that interest rates have declined over the past year by more than 5 percentage points and that the spread between Canadian and U.S. interest rates on three-month commercial paper is about 2.5 per cent. That is a dramatic decline from the 5.6 per cent it was over a year ago.

* * *

PORT OF HALIFAX

Ms. Mary Clancy (Halifax): Madam Speaker, once more I rise in this House to remind the government of the crisis in the port of Halifax.

It was more than a month ago that the Minister of Transport promised to do all in his power to assist the port of Halifax.

I ask the Deputy Prime Minister: Why this government has done nothing? Why does the port of Halifax continue to decline? Why will the government not give assistance?

• (1150)

Oh, good. Nobody knows the answer again.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I think the question has been answered time and again by the minister.

I am sure the minister will be pleased to respond again when he returns on Monday.

Ms. Mary Clancy (Halifax): Madam Speaker, I am almost, and I say almost, speechless but not quite.

Some hon. members: Oh, oh.

Ms. Clancy: Oh, it is funny, it is very funny to this government as the port of Halifax closes and 500 jobs are cut adrift. Well, you cannot build a nation by cutting a region adrift.

Atlantic Canadians and Halagonians know that only federal government action can save this great port. Why does this government, if it even knows anything about it, continue to refuse to act? Why will it not do the right thing? Why does somebody over there not have some idea of what is going on?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, both the Minister of Transport and the Minister of State for Transport have been very actively involved in this issue. As the hon. member knows, it is not a situation that can be solved with one simple solution. It is a complexity of issues.

One of the factors is the fact that there is excess tonnage capacity on the high seas which is driving down ocean rates.

In addition, Minister of Transport has in fact been meeting with CN. They are working toward the development of double-stack container rail carriers which will improve productivity and efficiency.

I know that CN and the container companies are negotiating a new series of freight rates, which hopefully will be competitive and hopefully will be able to save that business for Halifax. I agree with the hon. member that it is very important, and this government takes it seriously.

* * *

JUSTICE

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, my question is for the Attorney General, in the absence of the Solicitor General, and it is about Kitty Nowdluk-Reynolds, an Inuit crime victim.

Ms. Nowdluk-Reynolds was improperly arrested last summer on a material witness warrant. She was then taken in handcuffs from Surrey, B.C. to Edmonton, to Yellowknife, back to Edmonton, to Ottawa and finally to Iqaluit over a nightmare week for a trial at which she was not even called to testify.

An hon. member: In handcuffs?

Mr. Kilgour: In handcuffs. Will she tell us why no official, including herself or the Solicitor General, has until now, 10 months later, made an apology in this matter or done anything to ensure that it will not happen again?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I welcome the hon. member's question and I welcome him to this issue which I have been involved with actually for several months. It has been a matter of public record for some time and it is interesting that it has finally come to his attention.

I have before me my own letters to Ms. Nowdluk, written in March of this year. In fact I have done something.

Mrs. Campbell (South West Nova): Why have you not done something if it has been that long?

Ms. Campbell (Vancouver Centre): I wonder if the members of the opposition are interested in hearing the answer to this very serious question.

I have been in correspondence with Ms. Nowdluk-Reynolds and I have in fact written to the Solicitor General urging an inquiry by the RCMP into the activities which are complained of in her case.

I would agree that it is an extremely important issue. I have in fact taken it under advisement and acted on it. As I said, I welcome the hon. member's somewhat belated interest in this subject.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, the minister's father is a Crown attorney and has been in British Columbia for many years. I wonder who brought it to her attention.

The only correspondence she has had up until now is a quote from a B.C. RCMP inspector who said: "No matter what you are arrested for, all prisoners are treated the same way".

Does the minister stand by that kind of guff from an inspector? What is her policy? Is she prepared to have an independent inquiry done, again to repeat, to ensure that this sort of thing does not happen again.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I can assure the hon. member that my father would be enchanted to be remembered by the hon. member so kindly.

I do not, regrettably, have jurisdiction over the RCMP as the Minister of Justice. So when the request was made of me to take an interest, I drew this to the attention of my colleague, the Solicitor General, who has taken it under advisement. I believe that an inquiry is being made in the RCMP into these activities. I am sure that my colleague will report to the House or to the appropriate authorities when there is a result of that inquiry.

* * *

LAND CLAIMS

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, yesterday the Ontario government announced it will begin negotiations tomorrow on the land claims of the Algonquin Nation of Golden Lake.

The traditional lands of the Golden Lake Algonquins comprise 14,000 square miles of the Ottawa Valley and in fact Parliament Hill, upon which these proceedings are taking place, is a part of unceded Algonquin lands.

In spite of the Prime Minister's trumpeted, new native agenda on land claims and the government's clear interest in the assets of the national capital, the federal government will only be sending an observer to these negotiations without a full mandate to negotiate.

My question to the Deputy Prime Minister is: Why is the federal government refusing to participate fully in negotiations of the Algonquin claim when it could have such profound implications for the Ottawa Valley, for the national capital and for the national interest?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I think my hon. friend knows that this government is very committed to land claims. He knows that we have evolved a policy that has been quite successful over a period of time and that that policy continues to evolve. There is a number of things happening on an ongoing basis.

I know that the minister is as concerned and as interested in this as anybody, and I know he will respond to the member when he returns to the House next week.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, last summer we saw, within an hour's drive of the capital, the results of the federal government's delay and duplicity in dealing with Mohawk claims.

Aboriginal frustration ultimately resulted in the expenditure of millions of dollars, the loss of Canada's reputation internationally, and the death of a Quebec policeman.

Does the minister not think it important, given the federal government's interest in the national capital area and its jurisdiction over aboriginal affairs, that it should be a full participant in tripartite negotiations with the Algonquin people of Golden Lake?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, the events of last summer were a Canadian tragedy. The events of last summer have taught all Canadians that we have many lessons to learn. I do not think you will find, Madam Speaker, that this minister has any lessons to learn more than he has.

The government will take whatever action is essential to ensure that land claims right across this country are settled fairly and equitably and with as greatest dispatch as possible.

* * *

[*Translation*]

THE ECONOMY

Mr. David Berger (Saint-Henri—Westmount): Madam Speaker, my question is directed to the Minister of Industry, Science and Technology.

In its February budget, the government announced it would release a document on Canada's economic prosperity in the spring. Summer starts next week, and we have yet to see this document.

We know that talking about prosperity is embarrassing for this government. Could the minister tell us whether the government still intends to publish this document, and if so, when?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, I thought the question was going to be a good one until he put in the pejorative words.

Our intention is to get this paper out as early as possible. It might not be possible to meet the objective of doing it before the end of the spring, but the paper is quite well advanced.

I would hope that we would be able to get launched on this with an opportunity of having broad debate and discussion across the country, including members of Parliament on all sides of the House.

Mr. David Berger (Saint-Henri—Westmount): Madam Speaker, a newspaper reported last week that officials were scrambling to develop papers for a target deadline of June 19, but there is "intense disagreement inside the bureaucracy over whether the ideas have been developed enough to meet that deadline".

Will the minister admit that this disagreement within the bureaucracy reflects the confusion of its political masters, and that the government does not know what to do to ensure the prosperity of Canada and to provide jobs to Canadians?

• (1200)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, if the hon. member would look at the policies we have been following as a government, the hon. member would see that they have all been designed on the economics side to improve our competitiveness as a nation and, through that improved competitiveness, build on the prosperity that we all want to see. The range of policies, whether the broad policies of deficit control and inflation control, deregulation, tax reform or other policies related to the more specific areas of the impact on the economy, are all designed to improve the competitive position of the country.

This new document is designed to carry forward from that. There is no confusion whatsoever. There has been a very consistent theme, starting back in 1984 when we were first elected, and carrying us through to this dialogue now, which will set in place the policies that will carry us through to the end of this decade and into the next century.

FORESTRY

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I have a question for the Minister for International Trade which also touches on his responsibilities as Minister of Industry, Science and Technology.

My question pertains to the growing trade resistance to Canadian forest products in Europe as the result of the deliberate promotion of a boycott by certain misguided Canadian environmental interests. How is the Canadian forest industry and the Canadian government responding to this very serious trade problem with respect to our most important export resource?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, as my friend, who has taken a great interest in this particular issue and has a broad and very intense interest in the future of the forest industry, well knows we have been attacking this problem in a broad way.

Many members of Parliament met with representatives from the European Parliament during the course of a visit some weeks back. I believe the results of those discussions were instrumental in causing the European community to back away from the intentions they had prior to their arrival.

We are also taking this fight to the various capitals in Europe through our trade commissioners. The Prime Minister will be addressing this in his visit, if he has not already done so, in Germany this week. We reject the position taken by people who are in disagreement with the approach we have taken, and we will continue to fight that position as vigorously as we can.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF DELEGATION TO BRAZIL AND CHILE

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Madam Speaker, I would like to ask permission of the House to table the report of a parliamentary delegation. I had to go out to the lobby to get the documents.

Madam Deputy Speaker: I am sure the House will agree to revert to presentation of Interparliamentary Delegations.

Mr. Bird: Madam Speaker, I have the honour to present the report of a parliamentary delegation to Brazil and Chile which occurred earlier this year, comprising two members of the government side, one member from the Official Opposition, and one member from the New Democratic Party.

* * *

[*Translation*]

BRITISH COLUMBIA GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

Madam Deputy Speaker: Pursuant to order adopted earlier today, Mr. Danis, seconded by Mr. Andre, asks for leave to table a bill.

Hon. Marcel Danis (Minister of Labour) moved for leave to introduce Bill C-25, an Act to provide for the resumption and continuance of grain handling operations in the ports of Vancouver and Prince Rupert, British Columbia.

[*English*]

Ms. Langan: Madam Speaker, could I ask that you please clarify something for me. It sounded like you said: "Ordering the workers back to work." This is an order to order the employers to resume operations. There is a lockout going on, not a strike.

Madam Deputy Speaker: The bill reads: "To provide for the resumption and continuance of grain handling operations". That is what it reads in English. I did read it in French and it could be difficult for our translators.

Pursuant to Standing Order 69(1) the motion is deemed adopted.

Ms. Langan: Madam Speaker, it is not my intention to disrupt but I want to be assured that in fact the French version of the bill is clearly not saying: "Ordering the workers back to work".

Madam Deputy Speaker: No, it does mean the same thing in both languages. To my knowledge of both languages, it does.

Motion agreed, bill read the first time and ordered to be printed.

Madam Deputy Speaker: When shall the bill be read a second time? Later this day pursuant to orders made earlier.

* * *

PUBLIC SERVICE EMPLOYMENT ACT

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-234, an act to amend the Public Service Employment Act (appeal procedures).

He said: Madam Speaker, in 1988 the Standing Joint Committee on Scrutiny of Statutory Instruments or Regulations adopted a report which recommended changes in the regulations dealing with the way the Public Service Commission deals with appeals.

The report of the committee was apparently adopted in the House. A response was required. The response came in the dying days of the session before the election in 1988 and the commission, which reports to Parliament, decided not to proceed with any of those recommendations.

In view of the intransigence of the commission, this bill is introduced in order to make mandatory in the act those items recommended by the committee in its report to Parliament. I hope that the bill will commend itself to all hon. members.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Ms. Barbara Greene (Don Valley North) moved for leave to introduce Bill C-235, an act to amend the Criminal Code (offences of sexual nature).

She said: Madam Speaker, the current justice system unfairly treats victims of sexual offences. The two measures outlined in this bill will address that inequity to a degree. The first measure will assure victims that their right to privacy is given consideration. The second will require that defence attorneys prove to a justice that their clients are not a hazard to their victims or other members of the public.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1210)

PETITIONS

BALTIC STATES

Mr. Gus Mitges (Bruce—Grey): Madam Speaker, I have the honour to present a petition signed by citizens primarily from Edmonton and Toronto calling upon Parliament to recognize the democratically elected government of Lithuania and establish diplomatic relations with it.

As well, the petitioners are calling upon the Soviet Union to withdraw all its military forces from Estonia, Latvia and Lithuania. They are asking that in all negotiations between the Soviet Union and Lithuania that international mediation be provided.

Finally, they are asking that all international aid to the Soviet Union in the form of credit and feed grains be conditional upon the withdrawal of Soviet troops from the Baltic states and resolution of the Baltic crisis.

GOODS AND SERVICES TAX

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, I have the honour to present a petition signed by 50,000 Canadians from coast to coast demanding that this government remove the goods and services tax on feminine hygiene products.

The petition was launched by a group called Taboo. Jackie Burnett of Sarnia and Barbara Saunders of Kitchene0zr believe that feminine hygiene products are health related necessities.

There is no choice for 53 per cent of Canada's population when it comes to boycotting these products. When single servings of yoghurt, chip dip and donated male sperm can be GST exempt, 50,000 people and I feel that this is one case where an exemption should be made.

Ms. Ethel Blondin (Western Arctic): Madam Speaker, pursuant to Standing Order 36, I submit to the House a petition on behalf of the First Nations of Canada regarding immunity from the GST.

The First Nations of Canada are immune from taxation by virtue of their aboriginal and treaty rights. These rights have been affirmed by the Royal Proclamation of 1763, the Constitution Act of 1982, section 35, and by recent decisions of the Supreme Court of Canada in the Spiro case.

CANADA POST

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, it is my privilege to present a duly authorized petition on behalf of residents of Saskatchewan, mostly from my constituency, the towns of Dundurn, Allan, Hanley, but also from Saskatoon and Moose Jaw.

The petitioners are condemning the attacks on the rural way of life by this government in so far as the cutbacks to VIA, the abandonment of rail lines, the neglect of the fisheries and forestry, but particularly the closure of rural post offices.

They call upon Parliament to reject the actions of this government in the closing of the rural post offices.

BALTIC STATES

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I have the honour to present a petition signed by approximately 100 Albertans concerning primarily the situation in Lithuania.

They call for the Canadian Parliament and Senate to immediately recognize the legitimate democratically elected Government of Lithuania and to establish diplomatic relations with it.

The petitioners demand that negotiations between the Soviet Union and Lithuania begin, and want it ensured that international mediation is provided during the negotiations.

TELECOMMUNICATIONS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I want to present a petition in the House today from a number of residents in the Williams Lake area in British Columbia.

These residents are very concerned about the application that is currently before the CRTC regarding the bid by Unitel Communications for entry into the long distance telephone market.

The petitioners are asking the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in the long distance market. They are asking and urging the Minister of Communications to hold public hearings throughout our communities before deciding the fate of Canada's telecommunication system.

Mr. Jim Karpoff (Surrey North): Madam Speaker, pursuant to Standing Order 36, I also have the privilege to present a petition signed by a large number of people in the lower mainland of British Columbia.

The petitioners again urge the federal government to become involved in the Unitel application before the CRTC. Particularly, they want to ensure that there will be public hearings throughout this country so that the community can be consulted before our phone industry is destroyed.

CANADA POST

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I rise to present petitions, first of all from the community of Simpson in my riding. One hundred and nineteen residents of that area who use the local post office are upset with the fact that Canada Post is unilaterally removing their post office. They are very concerned about the future of postal service in that riding and call upon this government to provide postal service as a service and not as a profit-making venture.

As well, I have a petition from a number of people from the community of Bramalea, also in my riding, who are also concerned about the post office. They have experienced the absence of a post office. They have not had a post office since 1990, when the retail postal outlet closed. There have been a number of problems with mail

service in Bramalea, including access to mail during the winter, confusion about parcel service, and it is causing very serious difficulties with the residents. They call upon this government to put in place a proper postal service for that community.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Finally, I rise to present a petition presented to me by a number of farmers in Saskatchewan. They call upon this government to give farmers in this country the opportunity to have oats under the jurisdiction of the Canadian Wheat Board and to protect them by amending the Canadian Wheat Board Act to give oats and barley the same protection as wheat.

TELECOMMUNICATIONS

Mr. Sid Parker (Kootenay East): Madam Speaker, pursuant to Standing Order 36, I rise to present a petition on behalf of residents in rural parts of British Columbia. Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to urge the Ministry of Communications to oppose Unitel's bid to compete with Canada's telephone companies in long distance service; urge the Minister of Communications to consult with all affected parties, specifically those citizens living outside of Canada's urban areas, who will be impacted severely by deregulation; and urge the Minister of Communications to hold hearings in our communities before deciding the fate of Canada's telecommunication systems.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, I rise on behalf of petitioners from the lower mainland and the interior of British Columbia, who are urging the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in long distance service.

These petitioners are most concerned about what the impact of the deregulation of the telephone system will be to those citizens who live outside the urban areas and who are really very much dependent on telephone communication for their livelihood.

Routine Proceedings

QUESTION ON THE ORDER PAPER

(Question answered orally is indicated by an asterisk)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, question No. 44 will be answered today.

[*Text*]

PENSION PLANS

Question No. 44—**Mr. Gauthier:**

According to the most recent information available to the government, what is the percentage of employees covered by pension plans in the private sector who belong to (a) non-contributory plans in which contributions for plan benefits are provided entirely by employers (b) plans in which employers finance more than 50 per cent of required employer and employee contributions?

M. Charles A. Langlois (Parliamentary Secretary to Minister of Industry Science and Technology): By the honourable Micheal H. Wilson, minister responsible for Statistics Canada reports: At January 1, 1989 there were 2,753,756 members of pension plans sponsored by employers in the private sector.

a) Almost 54 per cent of these members belonged to plans to which contributions for plan benefits were provided entirely by the employer (non-contributory plans)

The remaining 46 per cent belonged to plans to which both the employee and the employer were required to contribute (contributory plans)

b) The percentage of employees belonging to contributory plans in which the employers finance more than 50 per cent of the required contributions is not known. However, legislation now in effect in six provinces and for federally regulated plans stipulates that employees' contributions with interest cannot constitute more than 50 per cent of the commuted value of pension benefits accrued after a prescribed date.

Source: Pensions Plans in Canada database, Pensions Section, Statistics Canada.

[*English*]

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

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

Madam Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-10, an act to amend the Excise Tax Act and the Excise Act be read a second time and referred to a legislative committee.

Madam Deputy Speaker: There are five minutes remaining in the speech by the hon. member for Surrey North.

Mr. Dingwall: Just a brief point of order, Madam Speaker. Of course, we will hear the hon. member who has the floor with regard to his remarks on C-10. I am wondering if, following that, we could hear the member from our party and then proceed to the motion with regards to the port of Vancouver, which may mean we may not see the clock exactly at 12.30 p.m., but extend it for a few moments afterwards. I am wondering if there might be a disposition in the House to proceed in that way.

Mr. Cooper: Madam Speaker, of course we would have no problems in doing that to co-operate with the New Democratic Party and to allow the Liberal speaker to complete his remarks on the firm understanding, of course, that what we would do is just simply shift the clock back the five or ten minutes that would be necessary. The full hour would still remain.

Ms. Langan: Madam Speaker, as a result of the parliamentary secretary's explanation that we would in fact shift the whole hour, that we would still have a full hour's debate, we would have no difficulty co-operating with the Liberals to allow their speaker time.

An hon. member: Agreed.

• (1220)

Mr. Jim Karpoff (Surrey North): Madam Speaker, I will wrap up my remarks fairly quickly. One of the things we should be looking at is what the action is of the government in relation to the resources it has to deal with the question of tobacco.

I think we have to put into perspective that this increase in taxes alone, not the total revenue from tobacco taxes, but the increase, will be $1.4 billion in the first year and it will drop down to just under $1 billion a year. Spending, in terms of dealing with this major health issue, should be balanced against that.

For example, this year, it is spending only $3.3 million on the national strategy to reduce tobacco use. That is a very, very small amount, particularly when it is compared with some other expenditures in the health area. It is spending $41 billion on the national drug strategy and $38 million on the AIDS program.

Both of those are worthy programs and I would certainly encourage the government to spend more in those areas. But when you look at the expenditures in the tobacco area of $3.3 million, compared to a $1.4 billion increase in revenue, one really begins to wonder what its priorities are.

Knowing it has this massive revenue to do it, I would like to see the federal government become far more aggressive in the following areas: the promotion of health in general and healthy lifestyles, which is something it could do positively, promote the reduction of the consumption of tobacco, particularly programs aimed at reducing the initial addiction of youth and, third, develop programs to assist those people who are addicted to tobacco to withdraw from tobacco consumption.

We spend many, many millions of dollars on drug treatment centres, drug counselling, but as a national government, we spend almost nothing to assist people who are addicted to cigarette smoking to withdraw.

It could spend money on health research. In the last two years the government has dramatically reduced its expenditures on health research at a time when we should be increasing expenditures. These are areas in which it could use this massive increase in revenue, $1.4 billion, to do something positive.

The last area should be pursued aggressively. It should be assisting farmers and workers in the tobacco area in positive adjustment programs by assisting the tobacco growers to develop alternative crops and markets for those crops and tobacco workers to develop adjustments and training programs so they can go into other types of employment. Let us remind ourselves, they have an increase in revenue of $1.4 billion so they can do it.

This type of approach has tremendous public support. Environics polled Canadians to find out what kind of support there was for using the increase in tobacco revenues in various areas. They found out that 84 per cent supported its use in research into disease. Another 84 per cent supported its use in preventing smoking among young people. Seventy-eight per cent supported its use in helping people quit smoking and the same number supported the use of that money to promote healthier lifestyles.

It is quite interesting that one of the things the public did not support the use of this money for was to reduce the debt.

In other words, the public sees this as a health tax not as a revenue tax. It does not want it used as revenue for the government to try to reduce its deficit or reduce the impact of its fiscal mismanagement on the economy. The public is quite prepared to support it as a health tax.

I guess, I and my New Democratic colleagues would also support it on this basis and that is why we support this government's legislation.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I want to congratulate my colleague for the excellent presentation he made on this issue.

As you know, I have made a number of presentations before in this House in an attempt to reduce the amount of smoking this addictive substance that takes place in Canada, and I certainly strongly support the increase that is proposed for the excise tax on cigarettes and tobacco products.

But I believe, as my colleague believes, that this tax should not be called an excise tax because it leads people to believe that this is simply something that goes into the national treasury and, like everything else that seems to go into the national treasury, disappears from view from the point of view of public programs.

Maybe there is an opportunity in committee stage to label this tax as a supplementary medicare premium, because, as my colleagues who have spoken on this issue have pointed out during the debate, smoking costs thousands of lives throughout Canada. It also damages the health of many tens of thousands of Canadians and, as a result of that loss of life and as a result of that damage to health, it incurs the expenditure of hundreds of millions of Canadian tax dollars on things like health and hospital care. Those have to be shouldered, not simply by smokers, but by all Canadians.

If we had a supplementary medical premium attached to cigarettes instead of calling it excise taxes then people would get a clear grasp as to what the problem is in this case.

I do hope, as well, that the government will carry on this philosophy into other areas. It should stop subsidizing the growing of tobacco and stop subsidizing tobacco advertising through the tax system. It should gradually phase out the import and the export of tobacco products from Canada. It should establish adjustment programs that will assist farmers who are currently involved in growing tobacco to shift to other crops. Also it should help workers who are involved in the tobacco industry at the current time so that they can leave that industry with retraining and other programs and not experience any loss of income or socioeconomic standing.

So I congratulate the speakers who have spoken today on the viewpoints they have presented and I certainly congratulate my colleague from Surrey North for the excellent information that he has given to this House.

Mr. Karpoff: Madam Speaker, I must say that the member's very imaginative idea of having this tax designated as a health tax or a health premium would be in line with the feelings of the Canadian public because the surveys and polling on this clearly indicate that the public supports this when the money is directed towards the health of the public, including preventing young people

from smoking, helping people to quit smoking and promoting healthier lifestyles.

But, at the same time, the public does not support its use to reduce the deficit or to replace the advertising revenues for sports organizations that tobacco companies are now doing in promotions.

There is one other very interesting thing that I think relates to this. The public not only does not like this money being swallowed up into the government's revenues, it clearly said that it felt independent, non-government bodies should be responsible for the expenditure of these dollars. I think that is an indication of the lack of confidence that Canadians now have in the wisdom of the expenditures of this government.

So the public is saying that it supports the idea of a health tax, but it thinks the expenditures should be under the control of somebody we can reliably trust.

• (1230)

Mr. Bob Speller (Haldimand—Norfolk): Madam Speaker, I rise today to voice my strong objections to Bill C-10, an act to amend the Excise Tax Act and Excise Act.

Let us be clear about this bill. The government has attempted to cloud the issue and cover up the real intent of this bill. This is nothing more than a tax bill, a tax grab.

This bill proposes a 3 cent per cigarette increase in the federal excise tax and, by its own estimates, this increase will mean an additional $1.4 billion in the federal government's coffers.

The real intent of this bill is to increase the government's revenue, not to help the health of Canadians. Its aim is nothing more than to take money from the pockets of ordinary Canadians. It is a regressive tax. It is an unfair tax and it is an unnecessary tax.

I, as the spokesperson for Haldimand—Norfolk, want to tell this government that the people of Haldimand—Norfolk oppose this tax. I am opposed because what it will not do is encourage people to stop smoking as much as it will encourage them to get their cigarettes elsewhere, to cross-border shop or to buy smuggled or stolen cigarettes.

I am opposed to this bill because coupled with this government's abandonment of transition programs, it leaves tobacco farmers high and dry.

This is not a health bill. The government certainly has a right and a responsibility to show its view on smoking and to alert Canadians to the potential health risks of smoking. That is not what is at issue here.

What is at issue here is the use of the tax system to impose an incredible burden on Canadians who supposedly considered these warnings and exercised their ultimate right to choose to smoke.

The government is concerned about the young starting to smoke. It should be implementing programs like the one in the United States in which starting in the first grade students enter a program educating them on the dangers of smoking and offering certificates for the completion of this program.

In a recent article, Herbert Laframboise, a former Deputy Minister of Health and Welfare says that this U.S. program will give students a "continuous bombardment as to the ills and dangers of smoking and would be the nucleus of a smoke-free society." According to Laframboise, one reason this deterrence program is not pursued by the government as an alternative to raising taxes is that "it costs money and it does not generate revenue".

I welcome any government's concern for the health of Canadians, but I think its concern should not be limited to those matters which will just fatten its own coffers.

It strikes me as a little bit ironic that this government on the one hand attempts to pass off major tax grabs as a health measure when it closes its eyes to other major health programs or other major health concerns facing Canadians.

I am thinking of the real concern posed by the additive MMT now being used in Canadian gas. The members opposite must surely be aware of the significant health danger posed by MMT. Its dangers have been brought to their attention numerous times by my colleague, the member for Lambton—Middlesex.

The U.S. banned MMT in unleaded gas in 1978. A subcommittee of the House energy commerce committee in the United States wrote last year a letter to the Environmental Protection Agency which said: "We are extremely concerned about the substantial serious health impacts from the introduction of MMT gasoline. Manganese is listed as an air toxic capable of serious neuro toxic effects".

This government knows this and yet it does nothing about it. I urge the government to address all the serious health concerns facing Canadians, including the use of MMT, and not to limit its health concerns only to those which will enable it to justify a $5 billion tax grab.

Tobacco consumption rates in Canada have declined. Cigarette consumption in Canada has fallen from $63 billion in 1983 to $47 billion in 1989. This decline is due to rising health concerns, government smoking regulations and taxes.

According to Mr. Laframboise:

> Many of the people who have quit have been people whose attachment to smoking has not been strong.
>
> A surprising number of former smokers smoked casually as a social habit, and for reasons yet to be explained, never became addicted to nicotine.

Mr. Laframboise then goes on to talk about the people who are not so lucky, those who are addicted to nicotine. He writes: "It is these hard cases who are most trapped and punished by high taxes on tobacco. They are smokers of relative long-standing. Burdening them with the present level of taxes can fairly be described as a cruel exploitation of a population addicted to a legal product".

Tobacco farmers have been equally exploited by this government. With this latest tax increase the government will be collecting over $4 billion a year in tobacco taxes; $4 billion a year from the sweat and labour of my tobacco farmers. What part of this $4 billion-plus has it given back to tobacco farmers this year to help them cope with what is for many of them a loss of livelihood? Nothing. Absolutely nothing.

Last March, this government stopped accepting applications for the REDUX program which helps farmers exit the tobacco industry. There are now over 600 tobacco farmers on the waiting list for the program, even though it ran out of money months ago. The government has yet to allocate any new money for this program. Tobacco farmers are hanging on to a financial shoestring and this government is content to leave them twisting in the wind.

The same sad story of this abandonment of tobacco farmers is told by the government's handling of the Alternative Enterprise Initiative. This program was designed to help farmers find alternative crops to tobacco. It ran out of money months ago and the government is giving no clue as to its future. A tobacco farmer with 18 acres produces about 45,000 pounds of dried production of which the farmer's gross revenue before cost is $66,000. Of that, this government makes a tax profit of $4.5 million. That is 68 times what the farmer makes on his own product.

Per package, the farmer's revenue is 7.3 cents. The federal government's tax revenue is $2.31 and the provincial government Ontario's revenue for instance, is $2.04, $4.35 in Ontario alone.

Since 1984, 900 farmers have abandoned tobacco leaving about 1,200 attempting to hang on. The transition has been very large and very rapid. Nowhere has this rapid transition and displacement been felt more strongly than in my riding of Haldimand—Norfolk, which traditionally has been one of the largest tobacco growing regions in the country.

Many farmers have lost their farms. Some have struggled to start anew with a different crop, buying different tools and equipment, learning a new crop and usually taking a loss for the first few years. There are only so many farmers who can find a new crop without flooding the market and very few have actually succeeded.

Farmers are a vital part of the economy of Haldimand—Norfolk, and of Canada, and when they suffer the people of Haldimand—Norfolk suffer. The people of Canada suffer. The corner stores that used to supply farmers with their groceries suffer. The small businesses where the farmer used to buy his tools suffer. The students who worked in the fields and needed money to continue their education suffer. All Canadians suffer.

After collecting billions of dollars each year from the labours of these hard working farmers and Canadians, the government is now putting them in a situation in which they cannot leave the tobacco industry without losing their farms and retirement funds. Even when this government had in past years allocated money to these programs, the funding was woefully inadequate. For every $300 it collected from tobacco it gave less than $1 back to farmers who had produced it and had lost their livelihood. Now this government contents itself with stalling tactics and the continuation of these nickel and dime programs.

The Ontario Flue-Cured Tobacco Marketing Board has worked long and hard to receive just treatment for the tobacco farmers from the federal government. They have asked the government countless times to end the *ad hoc*, piecemeal approach to tobacco compensation and, yet now, when the entire state of tobacco is uncertain, this government even refuses to give the board any indication what compensation farmers leaving the industry will receive this year.

• (1240)

Imagine the uncertainty and the stress this lack of government compassion is causing the stricken farmers this very minute. These farmers want nothing more than to be treated fairly.

This is the same government whose current Minister of Finance and former Minister of Agriculture said to tobacco farmers in my riding two and a half years ago, just before the election: I quote:

> Ottawa wants to send a strong signal to the industry that we are here to support tobacco producers in their time of need and adjustment.

I ask this government and I ask the minister: What happened to this promise?

The people of Haldimand—Norfolk feel betrayed by this government.

As a last resort, some tobacco farmers have joined together in defiance and disillusionment. Some 950 farmers, 30 share growers and 20 small business owners have joined together to file a law suit against the federal and provincial governments. They call themselves FACT, Fair Compensation for Tobacco. Under the leadership of Fred Homeniuk, they are seeking justice in our courts where they have not received it from our governments.

Mr. Homeniuk says the law suit is, and I quote: "An attempt to regain our dignity".

They want to know whether the governments have a constitutional right to tax a legal product to the extent that its growers are deprived of their right to earn a livelihood and to gain just compensation.

How did our governments respond to their quest? They tried to have FACT's lawsuit thrown out of court before it was even heard. Luckily, the government's attempt has failed and the lawsuit is proceeding.

Farmers are not the only ones fed up with this government's tax grabs. Canadians have responded to the current campaign against unfair tobacco taxes with an enthusiasm that could only be a result of a deep-felt anger and frustration.

The tax protest forms being mailed to the Prime Minister, which I understand are sitting a room in the Langevin Block and not even being read by the Prime Minister, say:

> I am of voting age. I want you to stop unfair taxation of tobacco products in Canada. What are you going to do about it? I expect a reply.

In the first two weeks of the campaign alone, 453,600 protest cards have been processed. Depending on the province a Canadian lives in, 70 to 80 per cent of the cost of a typical $6 package of cigarettes is tax. For a pack-a-day smoker in Ontario, taxes amount to $1,599 a year.

When taxation reaches excessive levels, black market activity flourishes and Canadian cigarettes are no exception.

Recent studies show that last year, an estimated 11 million cartons of stolen cigarettes were fenced in Canada. According to officials, cigarette theft has risen sharply since the latest tax hike which is the subject of the bill being implemented today and talked about today.

A recent article in the *Western Report* says: "Criminals, always responsive to the demands of the marketplace, are stealing cigarettes at an unprecedented rate". Calgary sees an average of six robberies a day involving cigarettes.

In February, 13 people were caught as they attempted to steal $3.6 million worth of cigarettes hijacked from two CP Rail trains.

In March, two thieves hit a wholesale warehouse, held a clerk at gunpoint and escaped with $25,000 worth of cigarettes. "Cigarettes are the hottest target around right now", says Calgary Police Superintendent Gerry Baxter.

The smuggling of cigarettes across the Canada-U.S. border has risen dramatically since this latest tax increase.

A recent study done by Peat Marwick Thorne finds:

> This additional tax burden effectively increases the demand for the smuggled product to avoid the significant tax burden.

Ray Thibault, an intelligence and interdiction officer with Customs Canada says: There's been a definite increase in seizures in the last three months."

The Peat Marwick Thorne study quotes law enforcement estimates of a 10 per cent to 20 per cent increase in cigarette smuggling in the last few months. The study estimates the loss in tax revenue from increased smuggling caused by this tax increase will cost the federal government $30 million.

The differential between Canadian and U.S. tax rates has become so large that smuggling and cross-border shopping are causing real damage to the Canadian economy. On the British Columbia-Montana divide, each package of Canadian cigarettes has $3.06 more tax in its price than its U.S. counterpart. On the Ontario-Michigan border, the additional tax burden on cigarettes is $2.93 per package. In comparing New Brunswick and its border state, Maine, Canadian cigarettes have $3.59 more tax per package.

Our tax rates on cigarettes are inviting Canadians to head down to the U.S. to buy them. They stand to save $20 to $30 off the price of a carton of cigarettes alone. That would more than cover the gas used to get there for most Canadians.

Besides, while they are down there they can fill up their tank and they can save another bundle. And while they are down there, who knows what else they will buy which they might otherwise have bought in Canada, in fact, within my own riding, which is an hour's drive from the border.

There are winners and losers with any piece of government legislation. I oppose this bill because I have problems in it with who wins and who loses.

The winners with this bill are the federal government's coffers, U.S. cigarette retailers, tobacco smugglers and thieves. The losers are law-abiding Canadian taxpayers who smoke and law-abiding, hard-working Canadian tobacco farmers, manufacturers and workers.

It is because of the serious oversights and inadequacies of this bill that I intend to propose amendments in committee and at third reading stage.

I will seek to amend this bill so that tobacco farmers are no longer made the scapegoats of this government. I will propose that the $1.4 billion in additional revenue per year that this government collects from this latest tax hike be given back to the tobacco producers so that those who wish to leave can do so without losing their farms or without losing their pensions and those who wish to stay can have a sustainable industry in which to produce.

I will propose that this government, in conjunction with this tax hike, commit itself to informing tobacco farmers on a 10-year basis of its plans for tobacco tax increases so that they will no longer be the victims of *ad hoc* increases and will know what their future holds.

Madam Speaker, I see my time is up and I want to send one final message to this government. Canadians will not stand for these tax increases hedged in health legislation. As a matter of fact, Canadians are fed up with this government and their increased tax bills.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, I want to take a couple of short minutes to respond to the member and address some of the concerns that he has raised.

First of all, I think it is very important to note that concerns about the serious health hazards of smoking and recognition of the significant contribution that taxation can make in addressing the problem were the key factors in the government's decision to increase tobacco taxes in this budget.

It is expected that the consumption of cigarettes and other tobacco products will decline by about 9 per cent in the next fiscal year as a result of the increases in tobacco taxes proposed in this legislation and other government initiatives to reduce tobacco use in Canada.

I think it is important to note that higher cigarette prices are particularly effective in discouraging young Canadians from starting to smoke. A 10 per cent increase in price will reduce consumption by young Canadians as much as 14 per cent.

Will Osler advises me that as a result of the tax increases announced in this budget, it is estimated that 100,000 fewer young Canadians will smoke.

• (1250)

I can appreciate the concerns of the member for Haldimand—Norfolk who just spoke. He represents a tobacco producing area. The government has also addressed that concern. As part of its comprehensive strategy to reduce tobacco consumption in Canada, the government established the Tobacco Assistance Program several years ago to assist tobacco producers to leave the industry and to encourage economic diversification of tobacco regions. As a result of federal and provincial assistance, nearly half of all the tobacco farmers in Canada have left the tobacco growing industry over the past five years.

Mr. Speller: Madam Speaker, I am the member for Haldimand—Norfolk, not Northumberland.

I am somewhat surprised, to tell you the truth, at his comments. Had he been able to talk to the two members on his side from tobacco growing areas, the member for Oxford and the member for Elgin, and had they been in the House to tell him, they might have told him that in fact, the money has run out for the specific programs which he just talked about.

The fact of the matter is that there is no money this year to help tobacco farmers exit tobacco. The fact of the matter is that there is no money this year to help the alternative enterprise initiative and to help farmers divert into other initiatives.

I want to say to the hon. member that before he gets up in the House and spiels off the government lines, he might want to talk to the members from Elgin and Oxford when they get back to this Chamber.

Mr. Jim Karpoff (Surrey North): Madam Speaker, I always find myself quite amazed when the Liberal Party can stand up and passionately debate both sides of the issue. But after two or three years in this House, I guess I should no longer be surprised because that is normally the Liberal stand.

An hon. member: They are good at that.

Mr. Karpoff: I would also like to say to the member that he forgot to mention the losers, the 35,000 Canadians who die every year. What about their families, their loved ones, their parents, their children? Those are the losers.

You pretend there is no connection between the increase in the price and the reduction of smoking and yet it has been clearly demonstrated that there has been. The only place I would agree with you is in your discussion about the negligence of the Conservative government concerning adjustment programs as they relate to farmers. They could take that $1.4 million and guarantee that there is no sustainable tobacco industry in Canada. That should be our goal, that there will never be any sustainable tobacco industry in this country.

Mr. Speller: Madam Speaker, I take exception to the member for Surrey North for challenging my right to stand up for my constituents in this House. I thank God I have a leader who allows me to stand and represent my constituents.

My constituents are concerned about this. They know that this is nothing more than a tax grab couched in health legislation. When that hon. member allows his leader, and when the Prime Minister allows his members to stand up in this House to speak out on behalf of their constituents, then maybe this House will be a better place for all Canadians.

Mr. John Manley (Ottawa South): Madam Speaker, I should encourage my colleague not to be too surprised. The member for Surrey North often demonstrates that Marxist/Leninism is alive and well in the NDP. In any event, I share the concern that he has expressed.

I want to say first of all, though, that I support the approach to encouraging non-consumption of damaging substances through taxation. I think that has been proven, as has been said, to be a successful strategy.

What concerns me in this legislation is two things, one of which the member called to mind, the historic alliance that existed in Ontario between the temperance movement and the bootleggers, who had a mutual interest in trying to exclude alcohol. The concern we should have is that at a certain level, taxation as a deterrent stands to benefit others than those whose health is being affected by the consumption of tobacco.

The other thing that concerns me—I see it in the budget which I have in front of me—is that when you look through the budget, it is very hard to accept the premise that this is merely a health tax.

The budget highlights the desperate financial position that the Government of Canada is in. It says that one of the fundamental problems is the state of the public finances. It sets out the need to create the Debt Reduction Fund which is going to be in a deficit position itself of $122 billion within five years.

Then it reveals the tobacco tax which will generate over the course of four years, according to the budget, over $4.5 billion, none of which is going to any of the

programs either for encouragement of non-consumption or for adjustment for the tobacco farmers.

I would like the member for Haldimand—Norfolk to respond if he would do that. I find it surprising, since he is not the only member in this House from a tobacco producing area, that nobody else, particularly on the other side of the House seems to be raising the concerns of the farmers in this situation.

Mr. Speller: Madam Speaker, it is funny where the morality in this House comes from sometimes.

I want to thank the hon. member for his comments. The Minister of Agriculture is sitting in the House now. I know he is new to his portfolio, so he might take some of my comments back to the people in his department and get them moving on this.

Frankly, if he is going to take the line on that side that he does not want tobacco in this country and he does not want smokers in this country, he might be well to help move some of these farmers out of tobacco. I am sure the Minister of Agriculture has discussed this with his officials.

I just want to say to my hon. friend that he is right. It is nothing more than a tax grab. If this government really wanted to stop smoking in Canada, particularly young people, why is it not outlawed? Why does it not do a number of other things that can stop people from smoking in Canada? This is nothing more than a tax grab. The government knows it.

Ms. Barbara Greene (Don Valley North): Madam Speaker, I too am somewhat amazed at the defence of the tobacco industry. Certainly when we put in the program to help tobacco producers to change professions, that was their opportunity to get out of this business of selling death.

As far as I am concerned, I think the overwhelming evidence is that public costs for tobacco are outrageous. The government can simply look at the health care budget, but there are other budgets that have to be looked at as well. Indeed, when one looks at the public maintenance budgets around this place, when one looks at the floors, when one looks at any kind of public building, there are enormous costs. We see fires. There are many fires created through cigarette smokers and so on. I particularly find the health costs to be odious but those other costs are public costs as well.

If this was a drug that was being considered for introduction today, it would be banned. There is no question about that. There is tremendous public cost and no value at all. It does not help smokers relax. It does not help them to do anything. It is an addiction that even smokers do not want to have.

What I find particularly insidious is this campaign suggesting that smokers are being encouraged to send in protest documents. What tobacco producers and protest companies are doing is putting in another insidious campaign that is associating smoking with rebellion, particularly against government.

Madam Deputy Speaker: The time for questions and comment has now expired.

Mr. McKnight: Madam Speaker, I just feel that in light of openness, I should inform my colleagues that I as the newly appointed Minister of Agriculture suffer from a lethal addiction. It is called smoking.

• (1300)

Madam Deputy Speaker: The time for questions and comments has elapsed. I am sure the House would allow the hon. member 30 seconds to comment, should he wish to, and then we will move on. If the House will give its consent?

An hon. member: No.

Mr. Speller: Madam Speaker, on a point of order, I want to point out to you that the member for Don Valley, whatever, challenged me on a question and then refused unanimous consent to have me answer her. That speaks well for how things are done in the Conservative Party in this country.

Ms. Greene: Madam Speaker, on a point of order, the member had all kinds of time to answer and there is no answer.

Madam Deputy Speaker: Am I to understand that the hon. member is ready to allow the hon. member a few seconds to answer?

Mr. Speller: Madam Speaker, the point is that her party, her government, if it wanted to ban tobacco in Canada, it could. The point is that if she wants to put up arguments like that, she should be making arguments to the Minister of Agriculture, telling him that what he should be doing is taking the $4 billion a year he gets from taxation and giving it to Canadian tobacco farmers to help them out of the business.

Her point is ludicrous and the fact that she points out that her own two members, the member for Oshawa and the member for Elgin, are not here because they feel that it is in their best interest to stay away, I think is wrong, Madam Speaker.

Madam Deputy Speaker: I wish the hon. member had not made the point of noticing the absence of members in the House.

The time for question and comments has now expired. Is the House ready for the question?

Some hon. members: Question.

Madam Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to, bill read the second time and referred to a legislative committee.

* * *

BRITISH COLUMBIA GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

Hon. Marcel Danis (Minister of Labour) moved that Bill C-25, an act to provide for the resumption and continuance of grain handling operations in the ports of Vancouver and Prince Rupert, British Columbia be read the second time and referred to the Committee of the Whole.

Mr. Murphy: Madam Speaker, in that the debate on the previous matter has taken a fair amount of time that was not allotted in the House Order, I would assume that all parties agree that the total time allowed for debate will be started as of this time.

Mr. Dingwall: Madam Speaker, on the same point of order, I would agree wholeheartedly with my colleague from the New Democratic Party that we will have a full hour's debate, if need be, on the subject matter that the Minister of Labour will be raising.

Mr. Danis: I also agree, Madam Speaker, with the recommendation of my friend from Churchill and the House leader for the Official Opposition.

Madam Deputy Speaker: This is what the Chair understood as well following the point of order from the hon. member for Mission—Coquitlam earlier.

Hon. Marcel Danis (Minister of Labour): Madam Speaker, nothing would have given me greater pleasure today than to be able to rise at this time and inform hon. members that a negotiated settlement had been reached in the grain handling dispute on Canada's west coast.

Unfortunately, that is not the case. I find that instead I must address the House in the context of introducing legislation to bring about a resumption of grain handling operations in the port of Vancouver.

The introduction of such legislation is necessary in order to ensure that economic hardships placed on Canada's agricultural producers as a result of the work stoppage be removed and the country's reputation as a reliable exporter of grain not be placed in jeopardy.

Most hon. members will be aware that the labour dispute in question involves the B.C. Terminal Elevator Operators' Association representing five grain elevator companies in the port of Vancouver and the Grain Workers' Union, Local 333, representing some 650 grain workers.

The previous collective agreement between the two parties expired on December 31, 1989 and the parties met in direct negotiations between February and November 1990 in an effort to arrive at a new contract. Despite these efforts, the two sides were unable to reach agreement and a conciliation officer from the Federal Mediation and Conciliation Service of Labour Canada was appointed on December 4, 1990 to assist the parties in resolving their differences.

Even with the provision of third party assistance the association and the union were unable to find a common ground to settle the dispute.

Following the receipt of the report of the conciliation officer, I notified the parties of my decision not to appoint a conciliation commissioner or establish a conciliation board.

As hon. members are aware, the collective bargaining process provided for under Part I of the Canada Labour Code places the onus on the bargaining parties to make the required compromises to arrive at a mutually acceptable solution to their differences.

In not actioning this particular dispute, I indicated to the two sides that I expected them to make their responsibilities seriously and to make the process work for them as opposed to relying on the government to get them off the hook.

[*Translation*]

In May 1991, the parties met in direct negotiations but failed to make any progress. On May 8, the Grain Workers' Union prohibited its members from working overtime. During the period from May 30 to June 4, the parties met before a mediator from the private sector, Mr. Vince Ready, who subsequently withdrew from the dispute, indicating that the positions of the two parties on the matter at issue were too far apart for the mediation process to proceed normally.

After the mediator left, work slowdowns occurred at a number of grain elevators, and on June 10, the B.C. Terminal Elevator Operators' Association locked out workers at all its facilities.

[*English*]

Given the serious consequences of such a work stoppage action I instructed two senior officials of the federal Mediation and Conciliation Service to travel to Vancouver and meet with the parties in order to fully assess the situation. Michael McDermott, Senior Assistant Deputy Minister, and Warren Edmondson, Director General of the Federal Mediation and Conciliation Service met with the two sides in Vancouver on June 12 and conveyed to them my strongest possible concerns over their failure to resolve their contract dispute.

The parties were also made aware that the government was not prepared to sit back and watch grain exports from the west coast be paralysed by a lengthy work stoppage.

They were also aware that the government was not prepared to tolerate the economic cost to western Canadian farmers, to suffer the potential loss in grain sales and to allow Canada's international reputation as a reliable supplier to suffer.

Despite these urgings, the parties still were not prepared to make the necessary compromises to bring about a resolution of the differences impeding a settlement of a contract dispute. Following consultations with my officials, I have come to the conclusion that there is virtually no prospect of the two sides resolving this conflict in the foreseeable future.

• (1310)

As I have indicated, this government is not prepared to passively stand on the sidelines and witness the tremendous damage which a stoppage of this magnitude is capable of inflicting on the country's economy.

Therefore, I am confident that hon. members on both sides of the House will understand that, while regrettable, the introduction of the British Columbia Grain Handling Operations Act is an action being taken by this government on behalf of all Canadians.

The proposed legislation before the House makes reference to two grain handling disputes. As I have indicated, the dispute between the B.C. Terminal Elevator Operators Association and the Grain Workers Union, Local 333, is currently at the lock-out stage.

Hon. members will know that the other dispute referenced in the bill involves Prince Rupert Grain Limited and the Grain Workers Union, also Local 333, and is currently at the conciliation officer stage. This dispute, however, bears similarities to the terminal elevator operations dispute in that the issues for the most part are analogous. Part II of the legislation, if proclaimed, enforced by Order in Council, would provide for resolution of the dispute through the appointment of a mediator-arbitrator.

Of course, we would only seek proclamation of this part if the parties remain unable to settle their own differences and a work stoppage seriously affecting the movement of export grains were to ensue.

Part I of the proposed legislation provides for the immediate resumption of grain handling operations in the port of Vancouver and provides for the appointment of a mediator-arbitrator to deal with all matters remaining in dispute between the parties. The bill extends the term of the collective agreement to include the period beginning January 1, 1990 and extending to December 31, 1991.

Under the terms of the legislation, the mediator-arbitrator is given 90 days, or such longer period as the minister may allow, to endeavour to mediate all of the matters in dispute. In the event that the mediator-arbitrator appointed under the legislation is unable to bring about agreement on any such matter he or she is required to render an arbitral award on the issue.

[*Translation*]

Mr. Speaker, the bill before the House does not preclude agreement by the parties to amend any provision of the agreement, excepting the one setting the term of the agreement. The bill also contains provisions obliging both parties to comply with the legislation.

[*English*]

The British Columbia Grain Handling Operations Act, while bringing about an end to the current work stoppage, does provide the parties with an alternative to an imposed settlement. By providing for the appointment of a mediator-arbitrator the legislation presents the two sides of the grain handling dispute with a further opportunity to avail themselves of neutral third party assistance in arriving at an acceptable solution to their differences.

I urge the negotiators for the B.C. Terminal Elevator Operators Association and the Grain Workers Union to seize this occasion and make every effort to reach an accommodation on the outstanding issues in dispute.

For the information of hon. members the main issues in dispute during this round of negotiations involve wage parity with the west coast longshoremen, continuous operations and employer contributions to the pension plan. These issues are not new to the bargaining relationship between these parties.

While there has been no work stoppage at the Vancouver terminal elevators since 1974, labour peace has often been maintained by setting critical issues aside for further study. Such has been the case with the overtime hours of work issue that underlies the current employer demand for continuous operations. This issue has actually been discussed in one form or another since 1971. In both the 1982 and 1984 bargaining rounds conciliation commissioners recommended further examination and established procedures accordingly. However, the procedures were not followed up in any meaningful fashion and the issue has been left unresolved.

Hon. members may question why the proposed legislation does not contain a provision for a specific study of the continuous operations question, the key issue in the current dispute.

All of the outstanding issues in dispute are essentially of an economic nature and as such they cannot be separated from one another in the legislation. However, should the need for an in depth review of this issue become apparent during the course of the mediation arbitration proceedings, and if the mediator arbitrator asks, I will certainly be happy to give whatever assistance Labour Canada can offer.

As I indicated in my earlier remarks, it is not a pleasant task for me as Minister of Labour to introduce such legislation. However, the parties in this dispute have had ample opportunity, including extensive third party assistance, to resolve the issues in dispute and have failed to do so. They have imposed the consequences of their dispute on the western grain producers, while continuing to reject every opportunity for a settlement through accepted dispute resolution mechanisms.

This government has an obligation to act to protect not only the economic interests of the agricultural sector of this country, but also Canada's reputation as a reliable grain exporter. This legislation serves as evidence of the government's acceptance of that responsibility.

In closing, I would like to thank the members of the government's agricultural caucus for their support of this action today and particularly the hon. Minister of Agriculture and the hon. Minister of State for Grains and Oilseeds.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, there is no joy in the immediate task before us. There is no glory to be sought here. There is no joy for me in this bill and there is no joy for my party in this bill. There is no joy because we have far too much respect for collective bargaining, too much respect for workers and their rights and too much respect for grain farmers. There is no joy in stepping in where collective bargaining has failed. There is no joy in forced solutions.

We are called upon to carry out our duty and carry it out we will. Our duty, as we see it, is to restore grain handling services at the port of Vancouver. Our duty, as we see it, is to support the bill before us and secure the re-opening of grain handling facilities at Vancouver.

Allow me to offer a personal perspective. I have been a member of a union. I have had the honour of being a president of a union. I have a great respect for workers and their rights and I have great reluctance to interfere in the exercise of those rights. They have fought long and

hard for what they have got and no one on this side of the House wants to see a diminution of those rights.

I also have a profound respect for farmers, my father was one. My family farmed. I spent my youth on a farm. I know, as we all do on this side of the House, the current precarious situation of farmers. We know how reliant they are on international markets. We know how important it is for them to get their grain through the port of Vancouver. Farmers are near the close of their current crop year. They are busy moving out the grain in preparation for yet another harvest.

I am torn, as I am sure we all are, but we cannot shirk our responsibilities. The Vancouver port must be re-opened. I shant chronicle all the events leading up to the current stalemate. Suffice it to say that the grain handlers have worked without contract for about 18 months. Negotiations, along with conciliation, have gone on for months, yet the two sides are no closer on the thorny issues of wages and converting the grain handling facilities into a full blown, seven day operation. There is a deadlock. There is a stalemate. We are persuaded that the port must re-open now so that the grain can get moving again.

Our hope is that the government will name the mediator arbitrator, as provided for in this bill, and that the government will appoint that person very quickly so that he or she can begin the difficult job of finding a solution to this very difficult problem. The existing lock-out began last Monday and the effects of that lock-out have been dramatic. I would like to put it into perspective.

• (1320)

At the present time there are 21 vessels waiting to be loaded in the port of Vancouver, 35 are to arrive by June 30. Exports through the port of Vancouver for the month of April totalled 1.7 million metric tonnes, in May it was 1.6 million metric tonnes. The forecast for the month of June is 1.6 million metric tonnes, for July a little over 2 million metric tonnes, and in August 1.6 million metric tonnes.

There was a slowdown in work at the port before the lock-out occurred. The actual number of cars unloaded in the week ending May 11 was 2,908. The target for that period was actually 3,550. In the week ending May 18 the actual unloading of cars was 3,191 while the target was 3,550. That story can be told all the way through the month of May and into the month of June.

Of course now with the lock-out there is nothing, nothing going through the port. That means that the port is losing about 54,000 metric tonnes a day—54,000 metric tonnes. To put it in dollar terms, that is about $7 million a day lost by the agricultural economy in western Canada. That is an enormous economic hardship.

We all know the significance of agriculture in the Canadian economy, particularly in western Canada. Farm cash receipts for 1991 were set at $21.7 billion. Farm exports have made up between 40 and 50 per cent of cash farm receipts and 8 per cent of Canada's total exports in 1990.

Approximately 70 to 80 per cent of wheat sales, 65 per cent of canola and 40 per cent of barley comprise a major part of total farm exports. At last count there were 459,000 jobs in the primary farm sector. In the food processing sector, the second largest in the country, there were at last count 225,000 jobs, worth about $43 billion to the economy. Of the 250,000 farms in Canada, cash crop farmers make up 52 per cent.

We all know the precarious situation of the farm economy. The realized net farm income in 1991 is forecast to drop by 22.5 per cent, compared to 1990. Saskatchewan will drop 145 per cent, Alberta 43 per cent, and Manitoba 35 per cent. This reduction in total net farm income is mainly the result of low international grain prices and a dramatic reduction in the federal support programs over the last two years.

A lot of Canadians do not realize that, despite the fact that the average income of farm families is a little over $37,000, 55 per cent of that income actually is derived from income made off the farm.

One more indicator which demonstrates the difficult times down on the farm these days is the number of bankruptcies. In Manitoba, Saskatchewan and Alberta from January 1, 1990 to March 31, 1990 there were 113 bankruptcies. In the same period for 1991 that figure has soared to 140.

When all is said and done, we believe that the case for immediate resumption of grain shipments through the port of Vancouver is compelling. We believe that this bill is very, very necessary. I want to touch on a couple of other things. The bill includes a provision to include the terminal at Prince Rupert. As you know, there are labour difficulties there as well. It is possible the same thing may happen in Prince Rupert. The government is proposing that it applies this law to the terminal at Prince Rupert. We have some grave problems with that and we will pursue that in just a few moments when the bill moves on to report stage.

Another thing, this bill in effect asks parliamentarians to be the deciders. That causes concern for us because we really wonder if parliamentarians are the best deciders in a case like this. I would like to ask the government, particularly the hon. Minister of Labour to look at this situation, at possible legislation that will rid parliamentarians of this particular kind of responsibility. At least there should be some kind of probe or investigation to see if there is a better model or system to obviate the need for parliamentarians to be put into this kind of role.

In conclusion, I want to say that the grain must get moving to the port of Vancouver for the sake of farmers, the farm economy, and the whole Canadian economy. The port of Vancouver must be reopened. We support the bill and urge its immediate passage.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the grain workers' union and the B.C. terminal elevator operators are faced with legislation after having been at the bargaining table for 18 months. I think it is important that in beginning this discussion we are very clear that the union did not strike, the employers did.

The union is aware of the needs of the farmers in this country and aware of the needs or the wants of the employer. But in this dispute there appear to be two solitudes. The farmers in Saskatchewan who are barely surviving for earning $2.50 a bushel for their wheat, which is likely to go down to $1.75 a bushel in the next couple of days, and who, in 1947, were earning $2 a bushel for their wheat.

The grain workers in 1947 worked 12–hour days and a 48–hour week. The employers at the elevators in Vancouver are demanding that the union return to the 12–hour day, 48–hour week.

Mr. Speaker, it might be of interest to you, the hon. minister, and other hon. members in this House to know that in 1948, the newly founded Grain Workers' Union struck for six months, without strike pay, to win the 8–hour day, the 40–hour week.

Six months is a long time for a family to survive without income, no income for six months to earn the 8–hour day, 40–hour week. Today the union is asked to turn its back on something for which tremendous sacrifices were made. Moms could not put food on the table. Children were going to school hungry. People were being evicted because they could not pay their rent. They were on strike without strike pay.

Some might ask why the farmers should care about that. It happened in 1947. In fact, the farmers today are fighting a terrible struggle just to survive on their farms. On the other hand the other solitude might ask why the grain workers should care about the farmers who are heavily subsidized anyway.

I believe that the grain workers and the farmers do both care about each other. Many grain workers come from farming backgrounds, and from the prairies.

• (1330)

Many, many, of the farmers whom we are talking about have relatives who are working at the terminals. I believe that both the workers and the farmers are the victims. They are victims of this government's inadequate grain marketing policies.

The price is down largely because of the dispute between the European Economic Community and the U.S. In particular, the Americans have been directly subsidizing grain sales into traditional Canadian markets. To retain markets, the Canadian Wheat Board has had to slash prices. The shipping delay caused by this dispute will cost farmers $9 million a week.

We need a government which will concern itself with promoting the viability of farm families and rural communities at the same time as it concerns itself with promoting good industrial relations in this country.

We also need an industrial relations climate which will ensure that for the grain workers, and other workers in federal jurisdiction, there is a reason to bargain. We have the proof of that need in this bill. If the union strikes, it will be legislated back to work. If the employer strikes, it will be legislated back to work. No one needs to bargain.

I think it is time that this Parliament says: "Parliament should not be the labour court or tribunal of Canada". It is time we look at the process and say that labour legislation must provide a forum for free, good faith collective bargaining in the federal jurisdiction.

The minister said that 90 per cent of negotiations are settled through the collective bargaining process in the federal jurisdiction. I think both sides can be justly proud of that. Among the 10 per cent that do not settle, that come to this forum, there are those who arrive here regularly before this House for legislated solutions because the system fails them.

I am not going to attack the employers in the grain industry here, because I think they, too, are caught with bad grain policies. But I am going to say to them that their need to provide a 12-hour day, 48-hour work week, to provide security for continuous operation, is an understandable one. However, I am also wondering why we are talking 12 hours a day, 48 hours a week.

I am pleased that the minister has assured us that he will not accept an arbitrated award because of the Canada Labour Code restrictions, and that both parties will have to negotiate that.

Recently a number of unions have negotiated 12-hour days and, because they freely negotiated it, that is fine if it is right for them. But, in fact, it is only now that the long-term effects of 12-hour days are being rediscovered. Fatigue, illness, stress, sleep disorders, digestive problems and workplace accidents. It is no accident that the mood in the workplace over the last 40 years has been to shorter, not longer hours. Why was it so important for us to hear the minister say that he is in favour, if proposed by the arbitrator, of an industrial inquiry commission into health and safety for the family life of this worker. It was important because we cannot afford unsafe work places, sick workers. We cannot afford that in this industrial society.

I know, just as the minister and the hon. member from the Liberal Party have said, that there is a tremendous cost to this dispute. But I also know that they used to ship through the port of Vancouver, 5 million tonnes a year, with thousands of workers. Today, they ship 17 million with 750 people. In fact, the union believes that it is possible to ship 20 million tonnes with the introduction of proper technological change.

What we need is good will. What we need is some understanding that there is a long-term relationship between the settlements of the teamsters and the settlements of the grain workers. In fact, the grain workers had a three-year agreement with zero per cent in 1987, 2.1 per cent in 1988, and 2.8 per cent in 1989. The longshoremen at the same time got 7, 7, and 7. In this round of negotiations the employer has offered 4 per cent, when the longshoremen are already about 18 per cent ahead.

The same is true in Prince Rupert. The negotiations are not going well in Prince Rupert. For the government to undertake a pre-emptive strike before a dispute has taken place and to put legislation in place is merely the thin edge of the wedge. Maybe the minister is working toward having legislation in place: we can pass it all and the minute there is a dispute we can just impose it, we can proclaim it. That does not provide for free collective bargaining. We oppose the pre-emptive strike at Prince Rupert, Part II of the legislation.

In closing, I would like to say clearly that we are as opposed to legislating employers back to work as we are to legislating workers back to work. We are opposed to pre-emptive legislation, as shown in Part II of this legislation. We expect the minister to encourage the independent inquiry to look into the health and safety of family life of the worker it is facing in this legislation.

All the statistics in the world, all the legislation in the world, will not make a work place flourish. Only good will at both sides of the bargaining table will make that happen.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order, please. House in Committee of the Whole on Bill C-25, an act to provide for the resumption and continuance of grain handling operations in the ports of Vancouver and Prince Rupert, British Columbia.

Clause 2 agreed to.

The Deputy Chairman: Shall Clause 3 carry?

On Clause 3—*Definitions*

Mr. Dingwall: Mr. Chairman, I have just a brief question for the minister on the definition of mediator–arbitrator. Would the minister just briefly and succinctly indicate what will be the intentions of the mediator–arbitrator in the days following the passage of this particular bill.

Mr. Danis: I would hope, sir, that the person who would be appointed would do everything in his or her power to get the parties to agree to a mediated settlement. I would think that would be the first phase of the operation. Only after that person found that there was no possibility of an agreed upon settlement would we possibly go into the arbitration phase.

Mr. Dingwall: I certainly do not wish to jeopardize anything that the minister might do in terms of the mediator–arbitrator. However, I am assuming that the mediator–arbitrator will move forward with some dispatch in terms of these issues.

• (1340)

I hope it is not going to be a long period of time one is going to attempt at mediation when, at the end of the day, it may not be there. Perhaps the minister will elaborate on that.

The Deputy Chairman: Shall Clause 3 carry?

An hon. member: The minister has not answered.

Mr. Danis: Mr. Chairman, the person whom we are referring to here is one person, the arbitrator.

In terms of time, I agree with my hon. friend, the House leader. I would hope that the person in question would act with dispatch with regard to the first phase. There is a delay of 90 days for this whole operation. It is possible for the person to ask the minister for more time. I am sure that when the person is appointed, he or she would be aware that there is a 90–day delay.

Clause 3 agreed to.

On Clause 4—*Resumption of grain handling operations*

Ms. Langan: Mr. Chairman, I would like to ask the hon. minister if, under clause 4, he would clarify just why this reference is to "employee". Could he clarify for us why it is worded in this way? I think he knows what I am concerned about.

Mr. Danis: Mr. Chairman, I understand that this is the clause that is put generally into this type of legislation because of the fact that it is an even–handed clause that applies to both parties equally whether it would have been a strike or whether it is a lockout like it is now.

Clause 4 agreed to.

On Clause 5—*Obligations of employers*

Mr. Dingwall: Mr. Chairman, with regard to Clause 5(1):

> 5.(1) No employer or officer or representative of an employer shall

What are the sanctions if that is not complied with?

Mr. Danis: Mr. Chairman, the sanctions are listed in the enforcement section 11. This would constitute fines of not more than $50,000 for someone who contravenes any provision of this act and who is found guilty:

> where the individual was acting in the capacity of an officer or representative of an employer or the union when the offence was committed; or
>
> (b) of not more than $1,000 in any other case.

Plus there is the Enforcement section, section 11(2).

Clause 5 agreed to.

Clauses 6 and 7 agreed to.

On Clause 8—*Appointment of mediator–arbitrator*

Ms. Langan: Mr. Chairman, under clause 8(4):

> (4) Any amendment agreed to by the union and the employers' association pursuant to mediation under this section and any decision of the mediator–arbitrator in respect of a matter arbitrated by the mediator–arbitrator may be made applicable for part only of the term of the collective agreement.

Would the minister please clarify what that means? I think he understands what I mean there. It was my understanding that there would be retroactivity back to, certainly in our discussions, the expiry of the last collective agreement.

Mr. Danis: Mr. Chairman, the way the section is written does not prevent whatsoever the arbitrator going about it through the retroactive route, going back to when the collective agreement started or also during the course of the agreement. This would give more flexibility to the arbitrator but it does not bar what my hon. friend is suggesting.

Ms. Langan: I am quite concerned about this in terms of the retroactivity. The workers are being put under arbitration with a clear time line at both ends, or, at least, yesterday there was a clear time line at both ends. Today we have a clear time line saying that only some of it may be retroactive. If it was not spelled out I would not be concerned. Maybe the minister can give us some specifics about how this will work.

Mr. Danis: This clause is a permissive clause only put in there for greater certainty. What I would suggest to my hon. friend would be if we could stand 8(4) with unanimous agreement, I would like to proceed with the rest. We will get back to 8(4) later on.

Mr. Murphy: We would agree to standing this clause. It is our understanding that this clause was not there when there was a discussion over the legislation earlier. It creates one of the problems that we have when legislation is introduced into the House and the minister wants it passed in all stages at the same time. We would like to know why it was put in and why there was no warning it was coming.

Mr. Danis: I ask my colleagues to stand the clause and we will get back to it after we do the others.

The Deputy Chairman: Stand, Clause 8.

Clauses 9 and 10 agreed to.

The Deputy Chairman: Shall Clause 11 carry?

Some hon. members: Agreed.

Ms. Langan: In view of the fact that three of us were in the House speaking on the legislation, it would be nice if we at least had the time to see which clause we are talking about. We have not even had an opportunity to read this bill.

I know the minister is in a great hurry to get this through, but it would be, I think, only considerate and courteous to allow us to at least know what each clause is before you pass on. I cannot even look at it and tell what it is before you say "carried". I would ask, with great respect, that we could slow this process down a little bit. I do not think we are in that big a hurry.

Mr. Dingwall: While my colleague is making reference to the particular section that is now before us, perhaps I might come back to the clause which was standing and I would make this observation.

In terms of my interpretation of that particular clause, which I know is standing at the present moment, each of section 4 may be made applicable for part only of the term of the collective agreement. It means that any changes thereto would be only in effect for the term of the collective agreement which is from point A to point B, whatever that might be, which means it can be retroactive.

Mr. Danis: I also understand we stood the clause, but when I use the word "retroactive" I meant whatever the arbitrator would decide from the time of the beginning of the collective agreement until the end. We agree on that point.

The Deputy Chairman: Now we will get back to the hon. member for Mission—Coquitlam on Clause 11.

On Clause 11—*Offence by individuals*

Ms. Langan: Mr. Chairman, on clause 11, under the enforcement I also note there has been a reduction in the penalty and I am not sure whether to be grateful or appalled at that.

What I wanted to say is that I find it very interesting that a corporation in this country can dump into lakes, rivers, et cetera, and get a $20,000 fine. A worker can refuse an order, or in this case an employer, and get a $100,000 fine. It seems to me that our priorities might be just a tiny bit interesting. I know that this dispute is costing a great deal, but I wonder if the minister could speak to that fact, that we would penalize a worker maybe five or six times more than we penalize a major corporate polluter.

• (1350)

Mr. Danis: Mr. Chairman, I certainly do not want to get into the environment debate. I can only tell my hon. friend that the numbers that she is looking at right now are maximum penalties. It would be wrong to say that when we look at an amount of $50,000 or $100,000, these are strictly maximum, that a worker would be fined $50,000 or $100,000 right off the bat. Maximums in this country, generally, as far as other laws are concerned, or criminal law, rarely occur.

The Deputy Chairman: Could the Chair carry on with clause 12? The hon. member for Mission–Coquitlam.

Ms. Langan: We are just going too fast, Mr. Chairman, we cannot keep up with names here.

I can appreciate the minister does not want to get into the environmental debate. I also appreciate that these are maximums. But I guess the difficulty I have with these kinds of fines and penalties is the difficulty of the whole attitude of this kind of legislation, and that is that the worker, or the employer in this case, are somehow the villains and need to be beaten up to make them comply. I find this particular situation goes a little bit beyond what is necessary to enforce the law.

The Deputy Chairman: The hon. Minister of Labour, any further comments?

Mr. Danis: Just to state, Mr. Chairman, that in the law, for the workers themselves, the maximum is $1,000. It is the corporate entities that have the maximum big fines.

The Deputy Chairman: Shall clause 12 carry?

Some hon. members: Agreed.

Clause 12 agreed to.

Clause 13 agreed to.

On Clause 14—*Definitions*

The Deputy Chairman: The hon. leader of Her Majesty's loyal opposition.

Mr. Dingwall: Mr. Chairman, my colleague and I—

Mr. Cooper: Quite concerned here.

Mr. Dingwall: —are quite concerned. We thought we would join together in voicing our opposition to this particular section, in this part, which includes clauses 14 through to the end of the bill, and the schedule thereto, clause 25.

I understand the minister's reasoning for wanting to pursue Part II, with the Prince Rupert grain handling operations, but in view of the fact that we respect the collective bargaining process, we thought that the process should run its course before any pre-emptive strike, and I use that term quite liberally, any strike that occurs either way, on the management side, or indeed on the labour side, that the minister ought not to proceed with this particular part. However, we will listen to the responses that the minister gives in terms of the rationale for the Prince Rupert grain handling operations, but I wish to say to him, as I have said privately to the minister, we do not agree with the Prince Rupert grain handling operations provisions under Part II at this time.

Ms. Langan: Mr. Chairman, I would like to also raise some concerns about clause 14 and the whole section, Part II, on Prince Rupert. It absolutely goes beyond the pale to suggest that workers who are not yet at a dispute are in fact having this legislation held over their head. I am pleased, and I am sure the minister will reiterate it here in this forum, that the minister has no intention of proclaiming this legislation prior to consultation with the opposition parties and prior to a dispute taking place in Prince Rupert.

To say, well, we have precedent, this has happened before, does not make it right.

Again, I get back to the argument and the concern that in fact the whole process of legislating collective bargaining instead of having collective bargaining take place in a free forum where neither party can rely on this government to intervene or any other government to intervene to settle its disputes for them is not enhanced by something like Part II. I wonder if the minister might like to comment.

Mr. Danis: Mr. Speaker, I certainly would have preferred not to have a Part II to this bill. As a matter of fact, I would have preferred not to have a Part I either, but I think the government has no choice in the matter.

I can only refer to what I said in my speech a few minutes ago, that it is not the intention of the government to proclaim Part II. I told the House that the problems with respect to Part II in Prince Rupert were very similar to the ones in Vancouver. We think we are doing the correct and the right thing, and again, I assure my hon. friend from Mission—Coquitlam and the House leader and the hon. member for Winnipeg—St. James, who has spoken on behalf of the Official Opposition that if there ever comes a time of a work stoppage where the government is considering the proclamation of Part 2, we would certainly not do so prior to consulting both opposition parties.

Clause 15 agreed to.

Clause 16 agreed to.

On Clause 17—*Extension of collective agreement*

Ms. Langan: Mr. Speaker, on clause 17. Here we are with the term of the collective agreement extended to include the period beginning on January 1, 1990, and ending on December 31, 1992. Under the Prince Rupert section, does this then mean that the collective agreement is in place and there is no need to negotiate at this time? Usually a negotiation does not start a year and a half prior to the conclusion of an agreement. I wonder if the minister could explain why this particular section is in this Part II.

Mr. Danis: The collective agreement in Prince Rupert expired on December 31, 1989. It is exactly the same as the Vancouver situation.

Ms. Langan: I understand the collective agreement has expired in Prince Rupert, but in fact, they are still at the bargaining table. It is not like Vancouver where there has been a stoppage by the employer. So we still have these people at the bargaining table and now they have, in essence, a collective agreement imposed upon them until 1992 unless the mediator arbitrates.

What I am saying is at this point Part II interferes or imposes itself unless the collective bargaining fails. So what we have said is, here is a blueprint, you folks in Prince Rupert, here is a blueprint. You can just sit back now and it will all be taken care of for you.

Mr. Danis: The case in Prince Rupert is not as if they had not started to bargain. I understand that they are at a similar impasse as the people in Vancouver. That is what the difficulty is in Prince Rupert.

Mr. Dingwall: On that point, the Minister of Labour is correct. There are difficulties there. But the collective bargaining process has not come to a complete halt at this point in time. Therefore, it is somewhat pre-emptive, and we can couch our language in different terms, but in point of fact, it is pre-emptive and the collective bargaining process has not come to its complete end.

Mr. Danis: I am not sure I will be able to convince my friends on the other side on Part II, but when, my hon. friend, it is pre-emptive, I remind him that this will not be proclaimed if there is a work stoppage.

Clause 17 agreed to.

Clause 18 agreed to.

On Clause 19—*Appointment of mediator-arbitrator*

Ms. Langan: Mr. Speaker, I have a number of things under this section.

• (1400)

I would like to ask the minister if the mediator-arbitrator requests the commission, which we had talked about—and he has already said in the House that he would agree to the establishment of an inquiry commission looking at the hours of work, the health and the family life of these workers—will the minister give us some indication of how he would encourage it to take place? Would it be independent? Who would be on it? I am not asking him to prejudice but to at least give us some indication that if this were to take place it would be independent and the arbitrator would not be doing this inquiry.

Mr. Danis: Mr. Chairman, I thank my friend for that question.

The question of an industrial inquiry commission was discussed by Mr. McDermott, who is with me now, with the parties earlier in the week. I thought at the time that if there was any way to settle this dispute this might have been it.

Mr. McDermott suggested the industrial inquiry commission to both parties. It was well received by the unions but it was not well received by management.

I still favour that course and I can assure my hon. friend that if the arbitrator asks or requests me, as Minister of Labour, to proceed by way of the Labour Code and appoint an industrial inquiry commission, I will do so.

I assure my hon. friend that the members appointed at that time would of course be independent.

Ms. Langan: Mr. Chairman, I would like to thank the hon. member for his response.

One of the only advantages to having the port of Prince Rupert included in this legislation is that we get a second kick at every clause as we go through clause by clause.

This is the equivalent of 8(4). Are we revisiting that now or can I revisit it at this time, Mr. Chairman? I have a concern that we are going to run out of time to deal with 8(4).

The Deputy Chairman: I would suggest that you get with it right now. There are only three minutes left before I have to put the questions. Use your own discretion.

Ms. Langan: I will direct a question to the minister because we did get an undertaking that this would be revisited. This clause is very restrictive. It could in fact be used to limit retroactivity on wages and that is kind of a neat way to tidy up that whole area.

I would like the minister's assurance. It does not need to be there, it is redundant. The discretion for retroactivity already exists without this clause. I would hope the minister would consider actually removing this clause.

Mr. Danis: In the spirit of co-operation with the members on the opposite side I have no objections in withdrawing 8(4). If I could get unanimous consent I will move:

That Bill C-25 be amended by deleting clauses 8(4) and 19(4).

The Deputy Chairman: Is it agreed?

Some hon. members: Agreed.

Motion agreed to.

Clause 19, as amended, agreed to.

Clauses 20 to 25 inclusive agreed to.

Clause 8, as amended, agreed to.

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): It being 2.05 o'clock p.m., pursuant to order made earlier this day it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of all the stages of the bill now before the House.

Hon. Marcel Danis (Minister of Labour) moved that the bill, as amended, be concurred in.

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

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to on division.

The Acting Speaker (Mr. Paproski): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. Danis moved that the bill be read the third time and passed.

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

Some hon. members: Agreed.

Some hon. members: On division.

Motion agreed to, bill read the third time and passed.

* * *

RAILWAY ACT

MEASURE TO AMEND

The House resumed from Tuesday, June 11, consideration of the motion of Mr. Corbeil that Bill C-11, an act to amend the Railway Act (grain and flour subsidies), be read the third time and passed; and on the amendment of Mr. Dingwall (p.1498).

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, on a point of order. With regard to Bill C-11 there had been a motion, which was passed by this House, which said in effect that if the debate were to elapse it would continue thereafter on Friday afternoon with one speaker from each respective party.

I submit that motion is not in order and has no effect on our proceedings here today in terms of precluding members from speaking to the bill. The reason is that there are two parts to that particular motion. I am glad the parliamentary secretary has returned, because we have had some discussions about this particular bill. The most important thing is that the first part of the motion

was not arrived at. The debate did not elapse. In point of fact, the debate continued until ten o'clock. As has been indicated, my colleague from Kingston and the Islands had the floor, is here and is prepared to speak in the time he has remaining.

Mr. Speaker might be aware from information from the table that we have exhausted a number of speakers and we are on 10 minute speeches. The debate did not elapse.

I suggest that the second part of the motion cannot apply, in view of the fact that we have not achieved its first part, namely the debate being elapsed.

The parliamentary secretary will rise and say that the motion itself has contained two separate motions. It is not two separate motions because it was not put to the House as two separate motions. It was not unanimously agreed to as two separate motions. It was agreed to only as one particular motion.

• (1410)

Mr. Speaker, I know you have a very important role to play as the arbitrator of our deliberations. You are quite well aware of Beauchesne's in terms of trying to protect the minority and also in enhancing every opportunity for members to participate in debate which they believe to be germane.

I wish to inform the House and the Chair that my colleague from Kingston and the Islands, my colleague from South West Nova, my colleague from Halifax, my colleague from Cape Breton Highland—Canso and others are here this afternoon on Friday to participate in a very, very important debate with regard to Bill C-11, respecting the At and East.

I would hope that you would give due consideration not only to those members here who wish to speak, but also to the procedural case that I have made, that this motion is not applicable in view of the fact that its most essential element was not complied with, namely that the debate on Tuesday evening did elapse prior to the adjournment hour normally set at ten o'clock, and my colleague for Kingston and the Islands still has the floor.

Mr. Cooper: Mr. Speaker, may I ask the Table for the exact page that motion is on?

The Acting Speaker (Mr. Paproski): Tuesday, June 11.

Mr. Cooper: Mr. Speaker, I do want to make a couple of comments on this motion if I can find it. The first one I want to make is that there had been discussions among all three parties.

We had come to an agreement that the debate would continue June 11 and at the end of that debate, whether it was early or late, we would adjourn the debate. We would then pick it up today with one speaker from each party and a limit of 10 minutes.

The first argument I want to make is that the House was working under an agreement reached by representatives of the three parties.

The second argument I want to make is that this is designed to be two motions. If you look very carefully at it, and I am going by memory because I do not have the motion in front of me, you will find that those two paragraphs are separated by a semicolon and the word "and" appears; in other words, two distinct clauses.

My argument is that the design of the motion set up to allow the House on Tuesday to adjourn the debate, should it come before ten o'clock, without forcing the debate to continue, was done to protect members and to protect members' opportunity to speak this afternoon.

For my friend from the Liberal Party to turn around now and try to change that agreement and to argue that because one part of the motion did not finish exactly the way it was anticipated and therefore the second part is inoperative, is very clearly out of order. If you read the particular wording of that motion, it says "when no member rises to speak on debate on Tuesday, June 11, 1991".

What is very important about that particular wording is that perhaps the Speaker should not have seen the clock at ten o'clock and we should have continued to sit and to follow that part through to make it operative and then end up with the situation which is what we had previously agreed to.

I argue that we are dealing with two separate motions, that there was an agreement between the three parties, and that I think the House ought to honour that agreement.

The Acting Speaker (Mr. Paproski): On a point of order, the hon. House leader of Her Majesty's loyal opposition.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the hon. member deserves his title, as the hon. member for Peace River and as the hon. member who is representing the government House leader. I do not wish to unduly reflect on what was said among House leaders and representatives of the respective parties pertaining to this particular bill. I cannot recall whether the hon. member was in the room or whether he was absent during those deliberations.

Let us assume that he was in the room. The hon. member knows that with regard to the motion, the one which was subsequently introduced I believe on June 10 or thereabouts, it was supposed to be introduced after the debate had elapsed. The hon. member introduced the motion prior to the debate having elapsed, and I think if one were to check *Hansard*, one would find that I stood on a point of order and made that particular point in the presence of the parliamentary secretary to the government House leader. That is point number one.

Point number two is that if the hon. member is now saying that we can place five different motions in five different paragraphs on one piece of paper, and that all it takes is for us to agree that all of those motions will pass without being read individually, without the Chair seeking unanimous consent individually for each of them, I think he is breaking a practice of parliamentary procedure.

The hon. member put forward a motion. The first part of the motion said that the debate must lapse. It did not do that. The hon. member for Kingston and the Islands had the floor.

There was no agreement as suggested by the parliamentary secretary. Only in agreement if the debate had elapsed would the motion then be triggered. If the hon. member was not certain of that, he should have sought unanimous consent for another motion.

My colleagues from Cape Breton—Highlands—Canso, Cape Breton—The Sydneys, Kingston and the Islands and the hon. member from Halifax, in the time remaining, I believe ought to be given the opportunity to participate, as I am sure my colleagues in the New Democratic Party would want, in a debate which is very, very important for those of us in Atlantic Canada.

May I further add the unnecessary unfairness and bullish tactics of the government opposite, particularly when you view this subsidy at $32 million and subsidies that we give to the western farmers of—

The Acting Speaker (Mr. Paproski): I want to thank both hon. members but before I make a ruling I think I will let debate continue, then I will rule on it. If I may have a few minutes to rule on this, please, and I will let the hon. member for Kingston and the Islands have the floor.

Point of order, the hon. parliamentary secretary.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): We should be clear here as hon. members who despite the fact that the opposition House leader may have felt he found a loophole in an agreement made in good faith on Tuesday, I would simply refer to the dialogue that continued after that motion in which the House leader of the opposition agreed here to the intent:

> Once again to demonstrate our co-operation to the parliamentary secretary to the government House leader, we would concur with the intent of this particular motion.

The intent of the motion, as clearly agreed to by all members in the House, was that we would end the debate and come back today and have three speakers. That was the intent. If there is a minor technical problem with the wording the fact is that we all agreed on the intent, and it would only be going against their word to go against that now.

• (1420)

Mr. Milliken: A point of order.

The Acting Speaker (Mr. Paproski): Well, if we continue points of order, the hon. member could get his 10 minutes in. I hope it will give me an opportunity to review before I make a decision on this. Is that sufficient?

Mr. Dingwall: Mr. Speaker, I will follow your directions and give the hon. member for Kingston and the Islands an opportunity to complete his speech. However, I hope that before you make your ruling that you would give us additional time on this side to make our points of order with regard to a particular provision.

The hon. member who has just spoken—and I will leave it to your interpretation—has impugned the motives of myself with regard to the remarks I had made, and made reference to discussions at a House leader's meeting, at which the hon. member was not in attendance, when there was no consummation of any agreement whatsoever, other than the fact that once the debate elapsed the motion would trigger. That was the intent.

I would like to have an opportunity, perhaps later in the day, to provide additional information and points on this point of order.

The Acting Speaker (Mr. Paproski): If they are going to be brief, I will listen to the arguments right now before I make my decision.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I took the motion to mean that anyone who wanted to speak would have a chance to speak. I am sure that the others who were here when last this debate was going on all thought we would have an opportunity. The debate did not lapse that night. My colleague from Kingston and the Islands was here debating and the time ran out. It was not that the debate lapsed.

I would hope that you will take into consideration that there are other people here who wish to speak on this important piece of information, and on how it affects the east in particular.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I want to turn your attention to the words of the motion. The opening words are: "When no member rises to speak in debate on Tuesday, June 11, 1991". That is what it says. Those are the words. Members rose to debate until 10 o'clock. I was on my feet and had the floor at 10 o'clock on Tuesday, June 11. It follows as night the day, that if members were rising to speak at 10 the motion is inoperative. It is a dead letter, it is null and void. I think it is perfectly clear and I am not going to get into any kind of partisan argument about what the intent of the motion was. The words are there. Your Honour is not privy to any discussions that may take place back and forth between members in this House. The words are brought forward. The words are agreed upon. The words are there and the words are very clear. Members rose to speak until 10 o'clock. The motion is therefore, inoperative, null and void. I ask you to so rule.

SPEAKER'S RULING

The Acting Speaker (Mr. Paproski): All right, I am prepared to rule. On Tuesday, June 11, 1991, a motion was agreed to by unanimous consent which stated that when no member rises to speak in debate on Tuesday June 11, on the motion for third reading of Bill C-11, the Speaker shall adjourn the debate and certain other events would then ensue on both Friday, June 14 and Tuesday, June 18.

Members will recall that the expectation on Tuesday last was that debate on C-11 would collapse some time before the adjournment hour of 10 p.m., and the provisions of this special order would then take effect. However, the House reached 10 p.m. Tuesday last and debate on C-11 was still in progress. The House will recall that at 10 p.m. the hon. member for Kingston and the Islands still had the floor and when I interrupted him in order to adjourn the House, pursuant to standing orders, I asked whether or not he had concluded his remarks. He replied he had not.

No point of order was raised at that time to suggest that the special order should still apply. The question I am now being asked to decide is: If the first part of the special order did not take place Tuesday last, does the rest of the order still have effect.

My opinion is that it does not. The order is one sentence. It begins by saying: "When something occurs, then two subsequent events shall follow". It is my view that if the first event did not occur the subsequent events logically cannot follow pursuant to this order, and another order shall be required. Therefore the hon. member for Kingston and the Islands has the floor.

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to continue my remarks from the other night that were interrupted by the adjournment of the House. I had the pleasure at that time of the presence of the Minister of Supply and Services, who was heckling me in a most entertaining way, suggesting somehow that I should be discussing the merits of this legislation instead of the procedural aspects of it, which have caused grave concern on this side of the House.

As hon. members will recall, this is one of the bills that was subject to the notorious reinstatement motion that this government brought forward.

Ms. Clancy: Shame.

Mr. Milliken: It is a shame, as the hon. member for Halifax says.

Mr. Mifflin: It's a disgrace.

Mr. Milliken: A disgrace, as the hon. member for Bonavista—Trinity—Conception says, because the government brought forward this motion to reinstate certain bills after prorogation, to reinstate those bills on our Order Paper at the stage they were at at the time of prorogation of the House on May 12 of this year.

This particular bill was reinstated at third reading stage, in other words as though it had been reported to the House and all amendments and debates at report stage were concluded. Of course that was not the expectation of members on this side of the House.

We wanted to discuss this bill from its inception at first reading again because it is a particularly pernicious bill. It deprives Atlantic Canadians of their livelihood. That is what it comes down to.

Ms. Clancy: Indeed.

Mr. Milliken: The hon. member for Halifax agrees, and I know they have had particular difficulties in Halifax of late which would be ameliorated considerably if the provisions in existing legislation were applied and the subsidies that were available and that still are available were made available to Canadians.

This tight-fisted bunch on the other side have it in their power to dole out money to assist in rail transportation, transportation generally, of grains from western Canada to eastern Canada.

Indeed the provision is in the law today that those funds are available to be spent for this purpose. However, for over two and a half years that tight-fisted Minister of Finance and his cronies, the tight-fisted Minister of Transport and his cronies, the minister for Atlantic Canada who is part and parcel of this whole group—the Minister of Public Works now has that responsibility—and the minister of fisheries—all who supposedly represent the interests of Atlantic Canadians in the cabinet and are supposed to be doing something for this country from the geographical perspective, if nothing else—have been sleeping on their hands doing absolutely nothing to represent their constituents either in the cabinet or in this House.

The member for Cumberland-Colchester is a prime example of someone who has dithered. On Tuesday night when we debated this bill he sat here and said nothing. By his silence he consents to this pillaging and rape of the people in Atlantic Canada who are being deprived of their livelihood by this government's tight-fisted greed. What it has done to his own livestock farmers, he should be ashamed of himself. I see him smiling and smirking on the other side.

The Acting Speaker (Mr. Paproski): I cannot really hear the hon. member's speech. I know it is a great speech, but there is so much going on here in this Chamber on a Friday afternoon I just cannot believe this.

Mr. Milliken: Mr. Speaker, I am having trouble hearing myself think, but I do not mind saying to Your Honour that part of the problem seems to be that this is a very emotional issue. Certainly this bill has caused a great deal of heartache across the country, but particularly in Atlantic Canada. I see that a lot of the members from Atlantic Canada are here and naturally they feel very strongly about it, at least on this side of the House. The surprise to us is that no one on the other side is rising to defend the government's dreadful policies.

Ms. Clancy: It's a scandal.

Mr. Milliken: As the hon. member for Halifax says, it is a scandal, and it is a scandal. I think part of the reason they are not rising to defend it is because they do not want to defend the indefensible. This bill makes legal what the government has been doing for two and a half years. In other words it is an *ex post facto* legalizing a bill.

• (1430)

Ms. Clancy: The worst kind.

Mr. Milliken: The worst kind, as the hon. member for Halifax says. She is knowledgeable in these matters; she is a lawyer. I know she studied at Dalhousie University Law School. She knows what the worst kind of bill is. They teach that in law school. Some members opposite might well have gone on in law school and learned something about it and maybe they would not introduce this kind of bill.

The fact is, as the hon. member for Halifax says, this bill is of the worst kind because it legalizes the actions of this government for the last two and a half years in not making payments out of funds which this Parliament authorized it to make.

Ms. Clancy: Exactly.

Mr. Milliken: Parliament said you can pay these people this money as a subsidy. Then the government said it was not going to and now we are going to pass a law to make it illegal for us to do so. That is the thrust of Bill C-11.

In fact it is so disastrous for Atlantic Canada for it takes $35 million out of the pockets of people who might have received these subsidies. To think that government members elected from Atlantic Canada—admittedly there are not many—would sit here in silence and allow this legislation to go through without a whimper of protest—

Ms. Clancy: And it hurts their ridings.

Mr. Milliken: Hurts their ridings? It shakes the entire region.

To think that the members would sit here in silence, saying nothing, speaks something about the quality of the representation the people of Atlantic Canada get from their Conservative members of Parliament.

Ms. Clancy: It's sad.

Mr. Milliken: They should be ashamed of themselves. They should be up on their hind legs braying about the evils of this legislation—that is what they should be doing—and saying how dreadful their cabinet is for even considering introducing such a bill as this.

Instead of that we have mute—

Ms. Clancy: Sheep.

Mr. Milliken: —silence, sheep. Sheep led to the slaughter. The hon. member is grinning over there. The hon. member for Bonavista—Trinity—Conception knows better than that.

The loss of employees in this case has been amply evidenced by previous speakers and I want to reflect on it. The economic impact on the Halifax elevator has been the loss of 27 employees— all as a direct result of the government cutback in this particular area exemplified by this bill.

The direct result of the cuts in this bill and the government's predated policy is $14.4 million to the Halifax economy alone. The closing of the Halifax elevator which will follow the passage of this legislation will mean another $13.2 million loss. This is not peanuts. If this happened in my community of Kingston and the Islands we would have the city hall draped in black.

Halifax happens to be a much larger community. Maybe it can absorb this a little bit more easily, but not much. Instead of some objection from hon. members opposite all we get is stony silence and indifference.

Indeed, there is no evidence that in the course of meetings of the Conservative caucus or the cabinet there is any rebellion, any objection. Usually we have someone like the hon. member for Hamilton—Wentworth who gets up and presents a petition decrying the legislation and urging the government to change its mind, but on this bill we have had nothing—

Ms. Clancy: Nothing, not a word.

Mr. Milliken: —dead silence, zero. The only objections raised have been from the gallant members on this side of the House who have the courage to stand in their place day after day and condemn the government for its atrocious attitude to this House.

I want to go back to the atrocious attitude of this government to this House exemplified by this bill because here we have a case that would never happen in any other Commonwealth Parliament.

In fact, it has not happened in any other Commonwealth Parliament where a government, over the objections of the opposition—and I note it was the opposition that objected for once again this is a case where there was not a single objection from a member of the government —who introduced a resolution to reinstate this bill and four others and passed it with closure in this House. There was not a peep, not a peep, of objection from the other side of the House.

Mr. Weiner: Not you.

Mr. Milliken: *Et tu, Brute! Et tu, Brute* I say to the minister. He knows that he was part of that. He helped stab Parliament in the back on that occasion. He supported that resolution. He supported the use of closure on that resolution. It was an outrage and the minister knows it. Now he is grinning and laughing about the outrage as well.

I say to you, Mr. Speaker, it is time that the government sobered up. It is time they stopped playing fast and loose with the rights of Canadians, with the rights of parliamentarians, and abandon this bill. I call on the minister now who is the only person here who can take this step to stand up and withdraw this bill. Reinstate the payments in this case. Stop being greedy and hamfisted with the people of Atlantic Canada and give them what this Parliament has voted to them in terms of subsidy and allow the moneys to go out.

Some hon. members: Hear, hear.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I am pleased to rise and speak to this bill for, I suppose, the final time. One thing I find simply amazing, and I am very glad, is that the Liberal Party has actually discovered that the At and East bill actually exists.

Ms. Clancy: Get out of here, get out of here.

Mr. Laporte: This is a party which for two years said virtually nothing on that legislation. I am glad it is speaking on it, but this is a party which represents that region of the country and has paid virtually no attention until the last few weeks. I am glad it is finally doing it. The reason it is doing it is because the New Democratic Party has been the party that has—

The Acting Speaker (Mr. Paproski): The hon. member for Halifax on a point of order or point of privilege.

Ms. Clancy: Question of privilege, Mr. Speaker. I feel that the comments made by the hon. member are a direct attack on the members from Atlantic Canada, and in particular on the member for Halifax, myself. Having sat on the legislative committee when this bill was C–26, its previous incarnation, I think the hon. member goes too far and I am particularly upset. I ask for an apology.

An hon. member: That is not a question of privilege.

An hon. member: It is a question of privilege.

The Acting Speaker (Mr. Paproski): It is quite a debate. The hon. member for Moose Jaw—Lake Centre has the floor.

Mr. Laporte: Mr. Speaker, I would be glad to sit down and look at the debates in *Hansard*, look at the debates in the transportation committee, look at the debates in the agriculture committee and look at the debates in the legislative committee and see how many times this member has spoken, or any other member of the Liberal Party. It has twice the members that we have in this country. We have no members in Atlantic Canada, but we have spoken many more times on this issue. We are the party that raised this issue and I am glad that the Liberal Party has finally discovered it. I commend the member from Halifax for finally taking some interest in her own riding.

This is a piece of legislation which this government should have no pride in. This is a piece of legislation that should send shock waves across the country in the way it has handled itself with respect to this legislation. This is a very important bill for the maritimes. The Atlantic Provinces Transportation Commission came to this government and said: "You are wasting money. You should be doing this in a different fashion. We can show you how to cut this program by up to 60 per cent and still provide that program to the maritimes". The government ignored it. Finally in 1989 when it did bring it in during the budget, there was actually no recognition of the work done by these good folks in the maritimes. When the matter was raised in the House and raised in committee, it had no idea that these studies had taken place.

This program was announced with obviously very little consideration, if any, to the various effects it was going to have on the region.

I know that the member from Halifax is upset with a few facts. She has a very good voice. If she wants to speak, I am sure she will have a chance later.

This has had a tremendous impact on the port of Halifax and on the port of Saint John. Enumerated many times by members of this party have been the cost in jobs, the cost in dollars and the potential future impact on that region of the country from the long-term closure of the grain elevators in Halifax and Saint John. It will potentially have a devastating effect on the livestock industry and on the dock workers in the maritimes. This is a bill with many tentacles. The loss of that program is going to wreak some real destruction in that region of the country unless there are some alternatives put in place.

When you look at western Canada, in my home province of Saskatchewan and throughout the west, it causes a lot of concern as well. We have in this country today a very great problem with the marketing of grain. There is a whole host of issues, a lot of it dealing with the European and the American trade war which has been going on for a while.

• (1440)

One of the important factors that has allowed us to maintain our market share is the Canadian Wheat Board. It has been working very hard to maintain the market share for western grain producers.

As the Canadian Wheat Board said when it was in front of our committee, the loss at the ports of Halifax and Saint John hurt the export grain industry. It hurt Canada's chances for grain export because those are the only two ice-free ports in Atlantic Canada.

As the Canadian Wheat Board told the legislative committee, all things being equal, a country with warm water ports would very likely not want to go to Montreal because it would have to deal with the ice in the wintertime and it may well cause the Canadian Wheat Board to lose sales.

The Canadian Wheat Board is doing what it can to ship grain to the Halifax elevator each year. It cannot afford to ship grain by rail during the wintertime and in the long run this could cost and will cost sales.

The other aspect is the long-term future of the Halifax elevator itself. Unless there is more grain going through that elevator, it will be closed. It was only through embarrassment of the government that it decided to call for a study on the future of the grain elevators in Atlantic Canada.

Saint John has already closed, and the study concluded that the long-term viability of Halifax, unless there is more revenue through that facility, will be threatened and it will ultimately be closed. That would simply be a tragedy not only to Atlantic Canada but to all Canadians.

It has been very frustrating dealing with this bill and it is not because there were no alternatives. There was a very viable alternative. There were some very serious issues. These were raised in the House and they were raised in committee, but the government chose to ignore them. It has ignored them at the peril of Canadians.

What it says to me and to many Canadians is that this government really does not give a damn for most regions of this country. It is a callous, mean-spirited government which is going to put through whatever it wants, period. It is a government with a second majority mandate mentality which is not good for Canada. It is not good for the regions of this country.

I would think that a good government is one that takes into account all relevant factors and then takes the course that will benefit the most people while inflicting the least harm on others. This is something that this government simply fails to do time and time again.

There is a real concern about unity in this country today. The Constitution is an extremely important document and issue. It is something that demands our attention, but there are some other areas in national unity that are also important. I would suggest to many Canadians, just as important.

This government, in many ways, has done as much to destroy national unity as it has ever done to promote it. There are concerns with communication and transportation, but there is a lack of concern for the regions of this country.

There was a time when Parliament concerned itself with the regions of this country. In many respects the national dream of John A. Macdonald was a regional development policy which encouraged the growth of western Canada.

It is only when governments stop paying attention to the regions of this country that this country is in real trouble. People in the maritimes are asking me: "What have you done to this area of the country?" Through the loss of the At and East, there has been a lot of movement of grain on the CN line to Halifax. VIA Rail has been cut. That cost money.

With the free trade agreement in place now, the CPR which has now purchased track all way through the United States to the eastern seaboard is promoting movement of goods from Montreal to New York. It is half the distance from Montreal to New York than from Montreal to Halifax. If that line loses any more goods being hauled on it, it will be the subject of an application for an abandonment by CN rail.

What we have is a situation in which this free trade agreement, this so-called right wing mentality, is destroying national unity and many maritimers are saying: "Why should I be part of Canada when I am paying huge taxes, GST, et cetera. I could buy my grain from Europe for $60 a tonne. I could haul corn in from the U.S. and it would be better for us."

I see my time is up. I would like to take just a few more seconds to wind up by saying this. There is another debate coming up on the transportation of grain. It is coming up in western Canada with respect to the Western Grain Transportation Act. I really hope that this government pays a little more attention to that region of the country than it has to the maritimes. In committee, the member for Halifax told the government if that it is going to remove the At and East, it should remove the Crow benefit. That is the wrong attitude. I hope the member changes her mind.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I thought I would participate for a couple of moments in debate.

I want to indicate that this particular bill was around prior to prorogation. It had hours of debate, hours of time in committee and a great deal of time spent on it in this House. We had to then turn around and pass a special order of the House by motion to allow this bill to be picked up so that we would not end up having to waste the time of the House by repeating stage after stage after stage of this particular bill.

I would like to indicate to the people who watch this House, to the people who are concerned about this issue, that what has happened is that we have given lots of time for debate on this. From the arguments we heard before today, there was clearly from our perspective and from my perspective an understanding of an agreement which we felt we had lived up to. I understand the hon. members have been demonstrating by their actions their great interest in this bill and how much they want to debate it.

I want to give them that opportunity. Earlier today we passed a House order and I want to make sure it is clear that no matter what happens in the next little while, the motion passed earlier, the House order regarding Royal Assent continues to be in effect. I want to at this time under Standing Order, I think it is 26.(1), move:

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of the third reading stage of government Bill C-11, an act to amend the Railway Act (grain and flour subsidies) and all amendments relating thereto.

Some hon. members cry "shame" while I move that. I do not understand when members who have sat here and lectured the rest of the House on how much they want to debate this bill object because we on this side are prepared to give them more time to do just that.

The Acting Speaker (Mr. Paproski): Will those members who object to the motion please rise in their places.

And fewer than 15 members have risen

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 26.(2), the motion is adopted.

Ms. Mary Clancy (Halifax): Mr. Speaker, this is the fourth or fifth time I have risen to speak on this bill either in its present incarnation as C-11 or in its previous incarnation as C-26.

I want to pay particular tribute to the hon. member for Kingston and The Islands for his eloquent remarks made earlier, and for his defence of the institution of Parliament and connected to that defence, his defence of the people of Atlantic Canada.

• (1450)

I would just like to set straight the hon. member to my extreme left over here with regard to the number of speakers who have spoken on this bill over the past year and a half. On second reading of C-26, which took place on February 12, 1990, February 20, 1990 and April 30, 1990, there were in total 24 speakers. Of the 24 speakers, 15, lo and behold, were members of the Liberal Party. Modesty forbids that I tell you how many of those came from Atlantic Canada, but I can assure you—

An hon. member: He just left.

Ms. Clancy: Well he did not like to stay and hear the truth so he fled, he fled in the face of the facts.

Fifteen of the 24 were Liberals, six of the 24 were New Democrats. In two of the three days of debate the debate was ended by three Liberals on the first day and two Liberals on the second day. This means there were obviously no New Democrats in the House to take up the cudgels. They fled as well.

At report stage there were 13 speakers, seven of whom were Liberal, four of whom were NDP.

Mr. Milliken: They were the ones who carried this, they said.

Ms. Clancy: Indeed, they carried it. Poor things, I guess they did not realize where the rest of the package was.

Bill C-11, as it is now known—but under whatever title it is known it is a bill that strikes at the very heart of the survival of Halifax, the port of Halifax and indeed many spin-offs throughout Atlantic Canada. Export grain shipments to Halifax and to Saint John, New Brunswick have stopped. As a direct result of this—and I hope the ministers are listening—the grain elevator in Saint John, New Brunswick has closed. It is closed, gone, finished. There are 55 jobs gone, 55 people out of work.

Last night, when I spoke on the estimates, I asked questions in my speech and I said: "Do they care?"

Mr. Milliken: And what did they say?

Ms. Clancy: They did not answer me. I put the question again, 55 jobs gone in hard-pressed Saint John, and do they care?

Some hon. members: No.

Ms. Clancy: I do not think so either.

In Halifax the economic impact upon the Halifax elevator has been devastating. Thus far there is a direct loss of 27 employees and $14.4 million to the economy of my city. Now there is no question, and my colleagues from Cape Breton—The Sydneys and Cape Breton Highlands-Canso, will agree that the city of Halifax has been and remains the most prosperous area of our beleaguered region. The most prosperous, yes, but as a nephew of mine said when he was small: "A boss over nothing is not boss over very much". We may be better off than the rest of our region. However, it appears to me that with bills like C-11 this government is doing everything it can to remove any possible sense of financial security the Haligonians might feel they could depend on. It has certainly done it to Saint John, and Halifax appears to be next.

When this elevator closes, and close it will if this government does not do something and do something quickly to alleviate the situation and to increase grain shipments to the Atlantic port, there will be another $13.2 million loss to the economy of Halifax.

In the space of a year and a half that is $27.6 million out of the economy of a city which, with the most generous estimate, has a population of 250,000 for the whole metropolitan area. That is a lot of money. That is a lot of economic loss. It is not something that Haligonians can take without some sort of reaction.

It is more than just this direct and concerted attack on the eastern ports, and in particular the port of Halifax, because I, my colleague from Dartmouth and a number of others in this House have been calling upon this government for two and a half years to do something for the beleaguered ports in the east.

The sense of fairness is something we talk about a great deal. For Atlantic Canadians any belief that this government could generate about being fair toward residents of Atlantic Canada is now gone. It is gone, destroyed. Any confidence, any trust is gone. Too much has happened. It is over.

There is not even any sense of history or sense of the country or sense of where we come from or even common sense.

Halifax is the closest port to Europe. Halifax is the most historic port on the east coast of Canada. Halifax is the largest ice-free harbour in the world. Not just in Canada, not just in North America, but in the world. The navies, the largest navies in the world can ride at anchor in Bedford Basin behind Halifax harbour. Ships can sail in and out of that harbour. They can be dealt with. They can be sent on their way again, having been serviced and taken care of in the port of Halifax, 24 hours a day, 365 days a year. There is no ice in our harbour. The harbour is ready and open and able to work at all times.

The people of Halifax and Dartmouth are a port people. They depend upon that port, not just for the basis of their livelihood, not just for economic prosperity, but a great deal as well for their pride in the city, for their sense of place in Canada and for their sense of worth.

I see my colleague from Newfoundland has just come into the House. He too knows a great deal about the pride of place in the city of Halifax, having served there with the Royal Canadian Navy. He knows what the navy means to Halifax and vice versa. He knows what the port means and what it should mean, both in its commercial and its historical context, to this country.

It should mean something to this government, a little something now and again. However, for weeks now I have been standing in this House pleading with the government. It is not easy for Atlantic Canadians to plead. We are pretty proud. We do not like to have to plead, especially not with the likes of this government.

I and my colleagues have been pleading for assistance to the port of Halifax. What has been forthcoming? Nothing. Empty promises, empty words.

Four weeks ago today the Minister of Transport said to me here in this Chamber that he would do everything in his power to assist the port of Halifax. Well, all I can say is, I guess we have seen the power of the Minister of Transport. Four weeks have passed and nothing has happened.

Today, in response to a question, the Deputy Prime Minister of Canada got up and clearly the government did not have a clue. There was nobody in the House who had any clue about what was happening in the port of Halifax. Nothing, absolutely.

Mr. Milliken: Shame, shame.

Ms. Clancy: Thank you, the hon. member for Kingston and the Islands.

The government had no clue. The Deputy Prime Minister got to his feet and said: "Well, we are working on something about freight rates". Freight rates between Atlantic Canada and the centre of the country have been a national disgrace and they are getting worse and the port is in danger of closing altogether. We could lose it all, everything.

I appeal to the members on the other side, wherever you are from, whether you are from Ontario, Quebec, Alberta or wherever. Canada with no port of Halifax?

An hon. member: One of the best ports in the world.

Ms. Clancy: Absolutely.

Mrs. Sparrow: Oh, oh.

Ms. Clancy: Do you have a port in Alberta, Bobby? You could not even find a wharf. You would not know a fish if it came up and hit you in the mouth.

The Port of Halifax is absolutely intrinsic to the fabric of this country. It is something that every one of us, not just me as the member for Halifax, but every one of us has a vested interest in.

To pass this bill, to pass this piece of legislation, which has been rammed through to this point in the House, is not only unacceptable, it goes beyond that. To pass this bill is un-Canadian.

The Acting Speaker (Mr. Paproski): It being three o'clock p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CHILD POVERTY

PROGRESS RESPECTING ELIMINATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing) moved:

That, in the opinion of this House, the government should set specific markers to gauge the progress of the fight against child poverty in Canada so that it can be successfully eliminated by the year 2000.

He said: Mr. Speaker, it is a pleasure to take this opportunity to try to set the government's course for responding to the all party commitment that was made just a short time ago to end child poverty by the year 2000.

We all know that unless we set some agenda, some targets, some markers, it is very unlikely that we will know exactly where we are heading in the fight to eliminate child poverty.

I would like to take this opportunity to tell the House about Jessica, one of the 913,000 children in Canada living below the poverty line, one of the 560,000 who rely on food banks to provide their basic nutrition.

It is children like Jessica who form Canada's single largest group of poor people and the single largest group of food bank users. I will use Jessica as an example in order to put a face on poverty. This face is neither a "she" of statistics nor figures, which I will get into later, no, this face is of a four-year-old little girl, this face of poverty wears a small, sweet smile with baby teeth and big brown eyes looking to us for help. Jessica needs our help, as do the other 913,000 children living in poverty in Canada.

Her mother had to quit her $28,000-a-year job because she could not afford to pay $800 out of her $1,800-a-month pay cheque for child care. Her mother now receives welfare benefits to support the family but it is clearly not enough. Studies have shown that children from families who receive welfare benefits have one and a half times the rate of chronic health problems faced by other children, and 31 per cent of the children on welfare between the ages of six and 16 suffer from some psychiatric disorder. Children in the lowest income category are twice as likely to die before their 14th birthdays as children of wealthy families.

The problems do not stop there. Jessica will be four times as likely to do poorly in school, twice as likely to drop out before completing high school, and will have a high probability of underemployment or unemployment. She will also be more likely to turn to criminality or alcoholism when she grows up.

Surely, for none of us in Canada is this acceptable.

I am not only speaking about the plight of Jessica, but also the plight of one out of every six children in this country. We know the statistics and the consequences of these statistics, and we must do something other than lament about the problem in this House. This is a whole generation of children who need our help, and things are not getting any better. Current trends indicate that families' income status is deteriorating in Canada. Despite the government's enthusiasm for increased employment figures, the great majority of new jobs have been in the low-paying, part-time sector.

Let us look at what the government has done. The Prime Minister, as we all know, during the 1988 election campaign, said: "We will implement and build on our national child care program, the most innovative social advance in Canada since the Canada Pension Plan a quarter century ago".

Well, in November, 1989, the former leader of my party, Ed Broadbent, introduced a proposal to end child poverty by the year 2000, and the House unanimously adopted that motion. Following this with a speech to the United Nations Children's Summit last September, the Prime Minister spoke of the need for political will in meeting children's needs and challenged our children to listen carefully to what we say in the coming years to hold us to our commitments. And he said: "I hope we find that none of us will be wanting".

Actions taken by the government over the past year have not only not improved the situation, as promised, but in fact worsened it. We are now looking forward to challenge the Prime Minister and the government to own up to their promises and commitments and prove to Canada that these words were more than just a public relations ploy.

The children of this country need a lot more than just words to get them through each day.

The government established a children's bureau last year and the minister has been designated as the minister responsible for children, but we have not seen results from this bureau nor have we seen from it strategy to eliminate child poverty.

If such a plan exists, I hope we will see it, but we have no sign of that plan yet. I certainly hope that the bureau would not be advocating the policies of this government which are clearly throwing more children into poverty day by day.

In order to end child poverty by the year 2000 as the government has promised, as all the members on the government side and the opposition side have promised, something must be done now.

Just look at some of the facts. According to data recently released by Statistics Canada, the government's own statistical collection organization, in the first week of December 3.5 million Canadians or 13.6 per cent were living below the poverty line. There were 934,000, almost a million children under the age of 18, or 1 in 6 living below the poverty line.

Native babies in this country have about as much chance of living beyond their first birthdays as those in Jamaica and Costa Rica and at a higher risk than babies born in Cuba and Singapore.

The same sorts of figures apply to poor, urban children in Canada too. In other words, our infant mortality rate does not compare very favourably with those of developing countries.

These figures clearly indicate a crisis situation. The only way to address the issue of child poverty is to examine the root causes of poverty.

The House subcommittee on poverty was told that children living in poverty are the sons and daughters of parents living in poverty, as one might expect. They were told that the economic status of children cannot be separated from the economic status of their parents. Any policy or program designed to eliminate child poverty, if it is to have a chance to succeed, must, of necessity, address the underlying reasons for poverty and its effects.

Far from doing this, through a series of legislative measures, the present Conservative government has made a lot of poor children poorer. To begin with, there is Bill C-69 which cuts funding, as we know, for health and post-secondary education in all provinces and caps the Canada Assistance Plan for British Columbia, Alberta and Ontario.

Over half of all welfare recipients, of all poor Canadians, live in these three provinces. Canada's child poverty rate does not fare well at all by international standards. Among industrial nations, only the United States has worse levels of family poverty than Canada. Our rates are three times those of Scandinavian countries for all families living in poverty and five times the rate for lone parent families.

Even Britain, having suffered under a decade of Thatcherism, has a poverty rate which is only half of that in Canada.

There has also been an attack on children by this government through inaction and omission. I am referring specifically to the lack of a national child care strategy. This must be a priority if we are to have any hope at all of ending child poverty in Canada by the year 2000 as the government has promised.

We have lived through decades under successive Liberal and Conservative governments who have followed policies which serve the corporate agenda rather than serve Canadians, especially those least affluent Canadians.

How much longer do we need to wait to see that these policies are not effective and are harmful to those who are most in need of help?

There are as many children living in poverty today as there were in 1980 and the acuteness of poverty felt by children and families is increasing. What is particularly alarming is the increase in the depth of poverty. The number of people who live at 50 per cent and 60 per cent of the poverty line has increased.

We are now faced with a recession. We have been in a recession and the number of children living in poverty is on the rise again. Over a decade of Liberal and Tory governments and there has been no real change to this situation.

Poverty can be defined as insufficient access to basic goods, services and opportunities which are commonly available to non-poor Canadians and which are accepted as necessary to maintain a decent standard of living.

However, the implications of poverty go much further than this. Children growing up in poverty tend to have behavioural problems, low self-esteem, less motivation to learn, delayed cognitive development and lower achievement in school. They are at an increased rate of dropping out of high school and have a rate of poor health that is 150 per cent higher than the national average.

In December, 1990, the Canadian Association of Food Banks released preliminary figures from its 1990 hunger camp showing that half a million Canadians rely on food banks each month, a figure which is up 30 per cent from last year and between 40 and 50 per cent of the users are children. When asked what she wanted for her children, Jessica's mother said just that life be normal. Not that they have everything they want, but just what other kids have: warm clothes for the winter, good snow boots, nutritious food and a decent life. The sun and moon would be nice but let us be reasonable, just the basic necessities.

• (1510)

What Jessica's mother is asking for is not very much, I think, but it is more than she has now. In fact, the basic necessities are not things anyone should have to ask for. They should be taken for granted, especially in a country as wealthy as ours.

Article 27 of the recently adopted International Convention on the Rights of the Child states that every child has a right to a standard of living adequate for the child's physical, mental, spiritual and social development, and that it is a duty of countries within their means to see that this right is fulfilled, including the provision of material assistance and support programs particularly with regard to nutrition, clothing and housing.

Since the government has committed itself to ratifying the convention, I and Canada's children wait to see the actions and results. I ask the government to prove it is not just interested in talking about caring for children, but that it will also take an active role in caring for them. How else does the government propose to end child poverty by the year 2000? As we have seen it certainly is not going to go away on its own. Ignoring the problem will only make it worse.

Headstart type programs such as nutritional supplements for pregnant mothers and pre-schools for disadvantaged children are an approach apparently serving to lessen the burden on the poor in the United States. Better education, higher employment rates, and improved health are benefits of programs like this.

While this may be a quick fix for the program, longer term solutions are needed. Needs of children must come first on the political agenda. Problems like workplace, day care, flexible time, and extended parental leave are needed to assist parents when their children need not only material comfort but parental care also.

Children who are already living in poverty will need special assistance programs, not so much to give them a headstart but to let them catch up to their wealthier counterparts. A comprehensive strategy for addressing child poverty will require a concerted effort by government, industry and the Canadian public at large.

I would like to take this opportunity to make some suggestions to help eliminate child poverty by the year 2000. That is only eight and a half years away and there is a great deal left to do. There is no question that many working Canadians are now at a greater risk of poverty than ever. Although there are no quick fixes to the problems of the working poor, the major focus should be on education and job training.

Since the risk of poverty and unemployment is greater for those with less schooling this means a direct reversal of present government policy and it most definitely means the scrapping of Bill C-69 and Bill C-21.

Over the past few years there has been an erosion of support for families under the Conservative government. It has seen fit to take away from some the family allowance, a long-time accepted universal recognition of the importance of roles that parents play in our society.

We in the New Democratic Party believe that universal family allowance is a right that should not be taken away from parents. To take it away from so-called privileged families would be to turn it into another form of social assistance, something that would be available only to the downtrodden in society and yet another means of stigmatizing the poor. The family allowance has always been accepted by Canadian taxpayers as a legitimate social program because everyone receives it, rich or poor. The moment this is taken away from some and given to a few is the moment that it is seen as a charity, not as a right.

In the short term the clawback of family allowance should be reversed and the allowance should remain fully indexed to inflation. There are advantages to this beyond just putting money in the hands of those who need it; family allowance payments provide a recognition of the important role of parents in our society in addition to putting money in the hands of consumers who will spend it and thus generate activity in the economy.

In the long term the government should focus its energies on a full employment policy. Those who would say that full employment policies have been attempted and have never worked are simply not aware of the facts. In truth, no Liberal or Conservative federal government today has paid anything more than lip service to the notion of full employment. Think about the philosophy of it; it clearly makes sense and it is clearly possible according to the most recent studies that I have read.

While it is true that many who are employed live in poverty is it still logical to assume that reducing the level of unemployment is a good strategy to reducing the level of poverty? The wage is the most stable source of income available to Canadians and providing all Canadians with a wage is the best way to ensure that all Canadians are provided for. Canada's economy must be made to work for Canadians. For governments such as this to consider 10 per cent unemployment normal while exporting jobs all around the world is remarkable and cruel. Full employment does not consider jobs created at minimum wage or part time to be particularly useful. Approximately half of Canadians living in poverty are employed and surely this would indicate some major problems.

Clearly if minimum wage jobs were to be offered as a viable employment alternative then the minimum wage must be raised substantially.

The concept of full employment does not end with providing jobs. It involves a commitment to providing sufficient social support systems to those who are unfortunate enough not to have jobs for a long or shorter period time.

A sustainable economy needs affordable, high quality, non-profit child care in sufficient numbers to meet the demands. It needs employment equity and decent wages, pensions and working conditions.

We should be instituting non-profit day care and universally accessible facilities and setting a time line for their installation. Full employment policy also requires a commitment to education, training and retraining.

Another tragic legacy of previous Liberal and Conservative governments is the rise of food banks in Canada. They started in the early eighties to help people through that recession. It has been almost a decade, and that recession has come and gone. We have had other recessions, and the demand for food banks is still rising.

Unfortunately, it is easy to see why food banks are needed. Social assistance rates across the country on average bring people up to half the poverty line. If a single mother is living in Prince Edward Island, she can receive 70 per cent of the poverty line on social assistance. But if she lives in Manitoba she will receive only 50 per cent of the poverty line.

The group of people in need of social assistance, thanks to the recession, high unemployment, aggressive changes to legislation, has grown. In Ontario, municipalities are finding welfare rolls are increasing at an alarming rate as more people move into the province hoping to find work.

A large number of children are included in these welfare figures, and as I said, children comprise the single largest group of welfare recipients across the country.

What is the government's response? The government says it is concerned about child poverty, and yet it chose to slap a limit on transfer payments to Ontario, Alberta and B.C. where half the poor in Canada live.

The government is probably hoping to pass the buck by expecting the provinces to pick up the pieces. Yet, these provinces are no better off financially than the federal government. They are finding it increasingly difficult to keep the social assistance system from collapsing. The end result is that children suffer and children remain in poverty.

How can this government say: "We are going to eliminate child poverty by the year 2000," when it is busy putting even more people in the poorhouse. I am always happy to hear words of support for children, but in light of this present government's record, I say that children should not be holding their breath and waiting for action.

Instead of the backward steps that this government has taken, what are some of the forward steps we can take? How can we measure our progress? A number one priority as mentioned must be a full employment policy. Getting Canadians back to work is a sure way to see poverty among children decrease.

A national child care strategy with universal availability is needed. The development of low income housing must become a priority. Social assistance rates must be raised, and the government can encourage the provinces to do this by returning the 50-50 transfer payments to the provinces that the Canada Assistance Plan mandates.

The level of the federal minimum wage should increase substantially. Family benefits should return to full indexation and the clawback of family allowance must be revoked. The most obvious way to measure success in these areas is to monitor the number of children living in poverty.

Surely we can say that by the year 1995, which is half way to the end of the century, we should have reduced child poverty by half. We will not have achieved success if the numbers go down when the economy is good and up when it is not as has happened in the 1980s.

We should also set specific targets for percentages of needed child care spaces. By 1995, we might for example argue that half of these needs should be met. Similarly, availability of low income housing could be measured in the same way.

There is no question that any effective strategy to deal with child poverty will cost money. A government that has the courage and foresight to spend this money now as an investment in the future is a government that will receive the support of Canadian children and Canadian families.

Spending this money is critical as a necessary investment in Canada's future and will in the end provide Canada with a healthier economy and Canadians with a brighter future. The alternative is to live with child poverty and to sacrifice generations of Canadian children.

What I hope we can do in the context of this issue, one which has received non-partisan support across the House for all parties support eliminating child poverty by the year 2000, is to find some understanding of the need to set standards and targets so that we can eliminate child poverty by the year 2000.

• (1520)

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, thank you very much for giving me the opportunity to speak today on the important social issue of poverty among children in Canada that was raised by my colleague, the hon. member for Saskatoon—Clark's Crossing.

His speech was very moving and there was a lot of well thought out information. I think all of us listened very carefully because we know that poverty and its effect on children and on families is a major concern for everyone.

For me, it is really a single issue which stands out as needing more time, more effort and more attention from all Canadians so we can put together a proper program. In fact, one of the major objectives of this government is to invest in our children and see them better educated, better protected and better nurtured so that they too can make their own contribution to our future here in this country.

In 1990 we watched children take on a new importance in world politics at the World Summit for Children, which was co-chaired by our Prime Minister. Leaders of 70 nations adopted the declaration on survival, protection and development of children and the action plan.

By signing this declaration Canada was urged to develop a plan of action and that is presently what we are doing.

Following this summit the Prime Minister asked the Minister of National Health and Welfare to undertake the task of presenting to the cabinet recommendations on these documents. One of the minister's priorities is to ensure better co-ordination and better consistency in areas addressing children's issues.

To this end, a children's bureau was recently established within the Department of National Health and Welfare.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-25, an act to provide for the resumption and continuance of grain handling operations in the ports of Vancouver and Prince Rupert, British Columbia without amendment.

* * *

ROYAL ASSENT

The Acting Speaker (Mr. Paproski): Order. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

June 14, 1991

Mr. Speaker:

I have the honour to inform you that the Honourable Peter de C. Cory, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 14th day of June at 3.20 p.m., for the purpose of giving the Royal Assent to a bill.

Yours sincerely,
Judith A. LaRocque,
Secretary to the Governor General

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of his honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (1530)

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bill:

Bill C-25, an act to provide for the resumption and continuance of grain handling operations in the ports of Vancouver and Prince Rupert, British Columbia—Chapter 25.

PRIVATE MEMBERS' BUSINESS

[*English*]

CHILD POVERTY

PROGRESS RESPECTING ELIMINATION

The House resumed consideration of the motion of Mr. Axworthy (Saskatoon—Clark's Crossing) (p. 1778).

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I was just mentioning the establishment within the Department of National Health and Welfare of the children's bureau.

Since 1984 the federal government has embarked on a series of initiatives to improve the situation of Canadian families and protect the future of their children.

In the first instance, this government's approach has been to support self-sufficiency among Canadians through economic and social policies which have helped to create a climate in which job creation can prosper. In this regard, central to the recent federal budget is a plan for economic recovery that will put the recession behind us and will lead us forward to growth and prosperity.

This plan outlines strong actions and measures that will be taken to ensure fiscal responsibility in the government and legislated limits to government spending. We all know that the deficit and the debt are serious problems which must be solved. Each year we spend $1,650 for every Canadian man, woman and child on just servicing the debt.

We simply cannot go on living on borrowed money, money our children will have to repay.

Even in a time of necessary fiscal restraint, however, the government has acted to better support lower income families with children. This government has increased by more than 50 per cent the maximum value of the child tax credit since 1984 and has introduced a new child tax credit supplement for pre-school children. We have also eased the economic effect of marital breakdown on lone parents by offering services to help locate defaulting spouses and garnished federal moneys.

We have introduced the goods and services tax credit which ensures that families with incomes of less than $30,000 are better off after tax reform.

In addition, the federal government recently announced a four year, $136 million program to continue the effort at reducing the level of family violence in Canada. The new initiative addresses violence against women, children, seniors and the disabled, and within the Indian and Inuit communities.

Social assistance and social services are matters of provincial jurisdiction. Provinces determine policies with respect to the services. Nonetheless the federal government does cost share in eligible provincial expenditures under the Canada Assistance Plan. Federal expenditures under the plan were about $6 billion in 1990–91.

Moreover, the federal government in co-operation with provincial governments is working to address the housing needs of disadvantaged Canadians. In 1990 through construction or renovation, over 42,000 new households were funded through federal social housing programs, and most of these programs were cost shared with the provinces and*or the territories to address their shelter needs.*

Over 640,000 households are now being assisted on an annual basis. Canadian children and their parents have also benefited from a series of new programs which will better prepare parents for participation in the labour force. These programs include employment ability in agreements with the provincial governments which help those people on social assistance with a transition from, say, welfare into the workforce; enhanced maternity and parental benefits to ease the transition back and forth from childbirth to the workplace for thousands of parents; and, the stay in school initiative which will combat the dropping out of school and will therefore better prepare the new labour force entrants for employment in the future.

As a result of these and other policies, there are some 956,000 fewer lower income people in Canada than there were when we took office in 1984, 300,000 of whom are children. Moreover, we are committed to a Canadian action plan for children which will address a broad range of issues which affect children, including child care.

We are also now actively working with the provinces toward the ratification, which is anticipated in 1991, of the UN Convention on the Rights of the Child. The convention is an important milestone in the expression of human rights for children. I can assure Canadians that a fundamental objective for this government is to protect the needy and enhance the well being of children in this country. This objective will be fully reflected in the plan of action in which we will spell out how Canada intends to implement the ten points of the world declaration signed by our Prime Minister at the World Summit for Children last September.

We are committed to prepare this plan by the end of 1991. We are looking ahead to the end of the century and that is what our plan will involve.

We all have to recognize our duty to find innovative and effective solutions to break the devastating cycle of poverty.

• (1540)

I believe Canadians also recognize that the federal government alone cannot solve this problem. We cannot solve all the problems facing Canadian families and their children. We need teamwork between the Canadian families and the federal and provincial governments. We need the private sector and we need voluntary agencies. We all must work together. We will continue to do this to improve the well being of all Canadians.

In summary, I have to say to my colleague from the NDP Party that he has raised some very interesting and well constructed points. He said there is a need to set goals and targets, which is true. I look forward to the plan which will be put to the House at the end of 1991. We have taken steps to improve the economic well being of children and their families and the government is committed to continue its effort in this direction.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am pleased to say a few words on behalf of my party on this very important subject of child poverty. I want to begin by complimenting the member for Saskatoon—Clark's Crossing for having introduced this motion and for his very well crafted and sincere words on a very, very important and disturbing subject for all Canadians; child poverty. I also want to commend him for the way in which he has crafted his motion, which speaks to the solution of the child poverty problem as opposed to simply describing the problem in more detail without having a thought of a forward plan.

The magnitude of child poverty in Canada is devastating and it ought to be at the top of the public policy priority list for all governments, in particular for the federal government, given the size of the problem. I just want to recite a few more statistics to give the House an idea of what the magnitude of the problem is. 3.5 million Canadians are living below the poverty line, 1 million of whom are children. That is a ten-fold increase of children living in poverty since 1980 and a higher proportion of Canadian children living in poverty than in four other western nations, including the United States. Canada has the second highest rate of children living in severe poverty, which is defined as a family whose income is 75 per cent of the poverty line. Sixty-four per cent of poor Canadian children are rated as severely poor, with only the U.S. scoring higher at 57 per cent.

Clearly, these are devastating and stark statistics in a country which is as prosperous and as wealthy and has the abundance of natural resources that Canada has at the end of the 20th century. It clearly must be intolerable for us as Canadians to endure and to continue to accept this reality facing so many of our children, particularly in view of the fact that so many other things are correlated with child poverty: crime; the fact that poor children become poor adults; illiteracy; and the fact that so many of our poor children are native children. The consequences of poverty on our reserves are a national disaster and a national affliction.

One would have thought that the elimination of child poverty would be at the top of the government's priority list. I was looking for some statement to that effect and for some indication in the Speech from the Throne that the government was actually committed to a plan to eradicate child poverty by the end of the decade, particularly given the fact that the government has started to become specific with indicating performance targets and measures of performance for other aspects of its policies.

For example, in the last budget it was quite specific about its plan to reduce and eliminate federal deficits. Notwithstanding the fact that the plans of the previous finance minister, over the last seven years, have been completely and utterly off the mark the government did, in its last budget, produce very detailed, short and mid-term plans for reducing and eliminating the deficit. It apparently is soon to come forward with legislation which will set spending limits for itself.

In addition, it has talked about job creation by the end of the century. It has put a target on job creation and a target on education and the attainment of certain specific goals relating to illiteracy, to the number of Canadians with high school diplomas, and the number of Canadians with post-graduate degrees in mathematics, sciences and engineering. These goals are to make Canada more competitive internationally. We cannot fault the government for setting those kinds of targets. We may want to dispute the nature of the targets, but clearly that is something that should be in the Speech from the Throne.

Unfortunately, although the Prime Minister chaired the children's summit in New York last summer and the government had made specific commitments as a result of that summit, there is very little in the Speech from the Throne committing the government to really tackle the problem of eliminating child poverty in a very concrete way.

Instead, there are some very vague references to the need to move toward implementing these commitments and ensuring that Canadians are better educated, which is part of eliminating the problem of child poverty, but it did not really commit the government to address that fundamental problem head-on. That is really what is needed and is what the member for Saskatoon—Clark's Crossing addresses in his motion.

If this government is serious about confronting this plight of child poverty, it has to place it at the top of its policy agenda. It has to ensure that the debate on child poverty has the highest priority. It has to ensure it is right up there with eliminating the federal deficit, which I acknowledge is important. This issue has to guide the policies of the government.

If it does not guide the policies of the government there will be policies introduced which will be in opposition to the target of eliminating child poverty and in fact will make the child poverty problem worse, as many of the policies of this government have done.

My colleague from across the way, the member for Calgary Southwest, mentioned the goods and services tax. She referred to the credit as an initiative to eliminate child poverty. I must say I am quite baffled by that because the tax itself is a tax which will increase child poverty in this country. It is part of many other taxes which have been directed specifically at the poor in Canada and at individuals who are caught in circumstances out of which they cannot extract themselves.

We had a debate earlier today in the course of Bill C-10, which is a bill to increase taxes on cigarette smoking. I agree that we must do all we can to eliminate cigarette smoking in this country and taxes are one way of achieving that objective. They are not the only way, by a long shot.

• (1550)

One reality which one has to confront oneself with, as my colleague from Haldimand—Norfolk raised, is that those people who are caught in that trap, who happen to smoke, will be constrained even more in their incomes. The burden falls back on the children.

Those kinds of regressive measures in their application which, if they are not counteracted by other measures that put money into the pockets of the poor, allow them to have income opportunities, to have jobs, and to give real, concrete opportunities to their children to reach beyond high school to attain—

The Acting Speaker (Mr. Paproski): I regret the hon. member's time has more than expired.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I am sorry the hon. member was unable to finish his speech, but I also have some very important things to say, because eliminating child poverty by the year 2000 is very important, and I am sure we would all like to see that happen.

A country's children are the foundation and the future of that country. That is why during the past 150 years, governments throughout the world have taken steps to provide support for families and their children. The most recent manifestation of this philosophy was the Convention on the Rights of the Child, established by the United Nations. Canada has taken a systematic approach to family support. One of the key elements of the Canadian support system is the sharing of responsibilities by the federal governement and the provincial governments.

Constitutionally, the provinces are responsible for ensuring the well-being of children through their social services and welfare programs. The federal government helps the provinces in this area by transferring funds through the Canada Assistance Plan and Established Programs Financing, for instance.

The federal concept of family benefits for children goes back to 1918, when amendments to the War Income Tax Act introduced the tax exemption for children. Later, in 1945, the family allowance program came into effect, thus proving that Canada recognized its obligation to educate its children. This program was intended as a mechanism for the government to supplement family income by relieving families of part of their expenses for the care and education of their children.

Since the introduction of family allowance, a number of changes have been made to adjust them to the requirements of families in need. Today, the federal government pays nearly $2.8 billion in family allowance to more than 3,500,000 families, for 6,500,000 children. The benefits are paid every month, usually to the mother, In 1991, the monthly benefit was about $34 per child.

Federal support for families goes beyond family allowance, however. There are a number of benefits for children, most of them provided in the form of tax credits. The Child Tax Credit Program aimed at low-income families is another major source of support for these families.

Since it came to power in 1984, the government substantially raised the ceiling of the credit by increasing it by more than 50 per cent—more remains to be done, but this is at least a good start—so that the actual benefit rose from $367 per child in 1984 to $585 in 1991. In 1988, the federal government introduced a supplement to the child tax credit for children up to six years of age. The supplement is $207 per child.

The government has also taken other steps to support the incomes of families with children. For instance, the implementation of a series of measures concerning goods and services will on the whole improve the financial situation of families with incomes below $30,000. These measures include an improved tax credit which is paid quarterly. The maximum value of the credit is $190 per adult and $100 per child.

We are also helping parents to use types of non-parental care that are not too costly. When they file their income tax returns, families can deduct up to $4,000 for child care expenses—work-related, of course—for children of pre-school age and up to $2,000 for children who are going to school.

Mr. Speaker, under the Canada Assistance Plan, which provides for cost-sharing with the provinces, the federal government helps fund eligible provincial expenditures for welfare and social services. In 1991-92, these expenditures will total $6.3 billion. Through this program, the government estimates it will pay about $250 million for child care.

The federal government intends to increase its support for child care through its National Strategy, which will deal with a number of issues that have an impact on children.

Families with new born infants will receive additional support, following amendments to the Unemployment Insurance Act. These amendments provide for a system of maternity, parental and health benefits. More specifically, fifteen weeks of maternity benefits during the period before and after the birth of the child; 10 weeks of parental benefits for natural or adopting parents—this is a new measure introduced by our government—for either the mother or the father; and 15 weeks of health benefits.

Under the new unemployment insurance system, the claimant will be able to receive benefits—up to the maximum amount for each type of benefit—as long as the cumulative period of special benefits does not exceed 30 weeks.

We all know, Mr. Speaker, that as a result of outside pressures or constraints, a family may cease to function normally.

Since families are the basic unit of Canadian society, the federal government is concerned about these problems and wants to find ways to help families keep functioning effectively. It also knows that the public sector is in a position to provide substantial help, either directly or indirectly, to families experiencing a crisis. A number of federal initiatives designed to provide this type of support were launched recently.

One of our priority concerns is the issue of child sexual abuse and family violence in general, and we are trying to provide assistance in this area.

Mr. Speaker, it is incredible that a society as advanced as ours, a society that is pluralistic and democratic, still tolerates violence against women and children. Yesterday we saw on television how a man who was obviously very distressed was holding his ex-spouse hostage. The same man had kidnapped his young child a few weeks before. It was done in desperation, I agree, but it is intolerable just the same.

Mr. Speaker, why, despite the measures I just mentioned, are there still so many poor families who are unable to get out of the poverty cycle? How can their needs be met? Should there be a guaranteed minimum income? Someone in my riding told me the other day that if instead of giving them a tax credit or a cheque in the mail, we gave parents food stamps, maybe then children would no longer go to school hungry.

Mr. Speaker, there is so much more to say, but I agree with hon. members that child poverty and child sexual abuse must stop now.

[*English*]

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Corbeil that Bill C-11, an act to amend the Railway Act (grain and flour subsidies), be read a third time and passed; and the amendment of Mr. Dingwall (p. 1768).

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment standing in the name of the hon. member for Cape Breton—East Richmond.

Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45(6), the recorded division on the amendment stands deferred until six o'clock, Monday, June 17, 1991.

It being four o'clock p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 24(1).

The House adjourned at 4.01 p.m.

HOUSE OF COMMONS

Monday, June 17, 1991

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ENVIRONMENT

PROTECTION OF CANADA'S ECOSYSTEMS

Mr. Jim Fulton (Skeena), seconded by Mr. Caccia moved:

That, in the opinion of this House, the government should consider the advisability of preserving and protecting in its natural state at least 12 per cent of each of Canada's ecosystems.

He said: Mr. Speaker, I would like to thank my hon. colleague for seconding the motion. The motion reads:

That, in the opinion of this House, the government should consider the advisability of preserving and protecting in its natural state at least 12 per cent of each of Canada's ecosystems.

With the assistance of Kevin McNamee of the Canadian Nature Federation, an amendment will be proposed by my hon. friend, Mr. Martin, to clarify the shared responsibility so that it would read:

—12 per cent of Canada by working co-operatively with the provincial and territorial governments and assisting them to complete the protected area networks by the year 2000.

It is important that that kind of clarification be made, and I accept it as a good, proper and helpful amendment.

I trust that this amendment is such that the motion will be put to the House and passed today, perhaps by all-party consent. It is crucial that the dormant political process be invigorated by an all-party resolution which will lead to at least protecting 12 per cent of Canada before the end of this century.

Canada's total lands are 9,922,000 square kilometres and our 34 national parks total 182,272 square kilometres. Our provincial and territorial parks, ecological reserves and wilderness areas of which at this moment there are 1,160, total 138,000 square kilometres, substantially less than what is presently in our national parks system.

Of those 1,160 such protected sites at the provincial and territorial level, there are only 43 designated as wilderness areas for a total of 8,680 square kilometres. If you add up all the so-called protected areas, which is 6.3 per cent of Canada or just over 320,000 square kilometres, and take out the national, provincial and territorial parks which allow logging, hunting, mining and other kinds of activities, that total drops to just 254,000 square kilometres or 2.6 per cent of our national land base.

A federal task force many years ago confirmed that an opportunity to set aside lands and complete our national parks system will be gone by the year 2000, due almost entirely to land alienations, roads, electrical transmission lines, hydroelectric facilities, forest harvesting, mining, urban sprawl, and all of those other land uses to which the lands of this huge country are put.

In 1979, some 12 years ago, cabinet approved the goal of setting aside and establishing one park in each of our natural regions. There are 39 terrestrial natural regions and 29 marine natural regions in Canada. The existing 34 national parks represent 21 of the 39 land regions or 182,272 square kilometres which is 1.8 per cent of Canada.

• (1110)

All this area is not protected. For example, logging is going on at this time by Daishowa Canadian Forest Products in Wood Buffalo, Alberta, our largest national park and in the Northwest Territories.

The plans to complete five new national parks by 1995 will leave 13 to be completed in the five years between 1995 and the year 2000. I think I can aptly demonstrate that the government is going to have to allocate more

substantial person time, and perhaps more substantial capital in order to achieve realistically the completion of our national parks system within the next nine years.

Canada now has 213 endangered species that are either in danger of becoming, or are already extinct. Twenty species were added this year, including some of the most noble creatures that have ever existed on this continent such as the grizzly bear, the polar bear and the Peary caribou. These are now also endangered and up to this moment neither the provinces nor the territories have taken steps to deal directly with recommendations made by biologists in terms of those three species. Clearly these include the establishment of protective zones and a dramatic reduction in pressures on them from both industrial activity and human activity.

Within the green plan we see the promise to, by the year 2000, establish three national marine parks between now and 1995 and three more by the year 2000, including the South Moresby Gwaii-Haanas Marine Park, Saguenay and one other, leaving some 21 marine natural regions unrepresented beyond the year 2000.

Many people ask where the 12 per cent figure comes from. It comes from international scientific consensus, as is found in the 1987 Brundtland report, the World Commission on the Environment and Development. In chapter 6 we find:

> Nearly 4 per cent of the earth's land is managed explicitly to conserve species and ecosystems and all but a small handful of countries have national parks.

One then goes on to chapter 6-18, point 72 which points out:

> Since 1970, the networks have expanded in extent by more than 80 per cent, around two-thirds of which are in the Third World. But a great deal more remains to be done; a consensus of professional opinion suggests that the total expanse of protected areas needs to be at least tripled if it is to constitute a representative sample of Earth's ecosystems.

So there you have one of the most extensive world wide reports ever done, and done by a United Nations body chaired by Prime Minister Brundtland, which has concluded that at minimum, we should set aside 12 per cent.

This report was endorsed on September 29, 1988 by Canada's present Prime Minister. In his remarks before the United Nations we find in about the middle of his speech, the following:

> The world is facing an environmental crisis of unparalleled magnitude. Nature is sending us an urgent message that we ignore at our peril. The signs of this crisis are all around us— shortages of timber, exhausted soil, desertification, depleted fish stocks, seals dying in the North Sea, beluga whales washing ashore in the St. Lawrence river. Some even maintain that we have reached a point where the survival of mankind is at risk.
>
> Prime Minister Brundtland, Chairman of the World Commission on Environment and Development, has said that the threat to our environmental security is "second only to nuclear war".

Those remarks by our present Prime Minister were picked up by the two past and the now present Ministers of Environment. We find in the published green plan, which was released here in Ottawa December 11, 1990, a section called Section 3, Special Spaces and Species, and an allocation of $175 million over the next six years for protecting unique ecological areas. It takes as a goal, and I quote: "To set aside as protected space, 12 per cent of Canada." It goes through some of the points I have been covering, such as the need to establish five new national parks by 1996 and to negotiate agreements for the remaining 13 parks which are required to complete the terrestrial parks system by the year 2000. Many people have asked me and I am sure have asked other members, what does that commitment mean? Is it deliverable? And what are those areas that are still unrepresented? Very few Canadians realize that it is scientifically recognized that there are 13 natural bioregions, 39 natural systems in Canada, and that only 21 of those 39 are presently represented in our national parks system, such as our first park, Banff National Park created in 1885.

I quote from the January 31, 1991, letter from the Minister of the Environment on these very points:

> As you know, Environment Canada's recently released Green Plan provides for the establishment of at least five new national parks by 1996 and for the negotiation of the agreements for the remaining 13 parks by the year 2000. It also provides for the establishment of three new national marine parks by 1996, with an additional three by the year 2000.

It goes on to say:

> Within the next few months, my department also plans to release a follow-up action plan setting out specific strategies and target dates for establishing national parks within each of the 18 unrepresented natural regions.

That was in January and they have not yet been made public.

Here are the terrestrial regions that are still unrepresented, regions that have active park proposals: Region 15, Bluenose Lake; Region 17, East Arm; Region 27, Churchill; Region 36, Banks Island; and Region 37, Baffin Island.

Regions with currently inactive park proposals are Region 16, Wager Bay; Region 21, Mealey Mountains; Region 24, the Torngat Mountains.

Regions with representative areas that are identified natural areas of Canadian significance, but in which further study is required before a park proposal can be identified are: Region 3, Fraser-Chilcotin Junction area and the Churn Creek area; Region 7, the Spatsizi Plateau and Mount Edziza areas, Kluane/Aishihik area, Yukon River/Ogilvie Mountains area; Region 14, the Long Point area and Little Limestone Lake area; Region 22, the Richmond Gulf area; Region 25, Leaf Bay area and Nastapoka Islands; Region 38, the Bjorne Peninsula area and Bathurst Island.

The regions with regional studies that are not yet complete are: Region 2, the Strait of Georgia Lowlands in British Columbia; Region 20 the Laurentian Boreal Highlands basically running from Ottawa to Quebec City; Region 23 the Whale River region; and Region 28 which is northeast of Churchill, known as Southampton.

Quebec is a particular case that I know you would be interested in, Mr. Speaker, because the Whale River region which is now being studied is the area that is being proposed for flooding by the Great Whale hydroelectric project known to many people as the first part of James Bay II. The flooding from James Bay I and James Bay II is a staggering 25,834 square kilometres, 2 per cent of the entire land base of the province of Quebec. Six times as much land will be flooded by this one project as is protected in all of the federal and provincial parks in that entire province. It is really quite staggering the amount of work to be done on both provincial and national parks strategies, to say nothing of the 12 per cent in our second largest province.

The first debate and vote there ever has been on 12 per cent and on the national parks system took place in this House on February 5, 1990, and that motion said the following:

> That, in the opinion of this House, the government should move to complete the national parks system (land and marine) by the year 2000 and should implement the recommendation of the World Commission on Environment and Development, (Brundtland Report) that Canada protect at least 12 per cent of land and marine zones

Sadly, that was not about to pass through this Chamber. Since that time there have been various suggestions that the wording could have been clarified at least in terms of the 12 per cent. That is going to be done today by Mr. Martin, my friend on environmental matters, to give the House an opportunity to express itself morally on an issue that is truly one of survival.

• (1120)

There are few if any biologists that I have spoken to in the years since Brundtland who disagree that 12 per cent should be the floor—hardly the ceiling but it should be the floor—because we are losing right now about 20,000 species per year that are becoming entirely extinct, entirely related to the activities of humanity. As we lose those species, most of them are being lost in tropical areas because of the proliferation of life in the canopies particularly of jungle areas.

As I said earlier in my remarks, we have lost 20 species in Canada and 20 have been added on to the endangered species list in our country, great creatures such as the grizzly. I mean, how is it possible in a country like ours? There isn't even one area where grizzlies are specifically protected in a sanctuary in the whole of a great country such as this, a country that is massive by the standards of anywhere else in the world. Even the United States has 8.1 per cent of its land base protected, due in large part to states such as Alaska where 37 per cent has been set aside in perpetuity in their national park system.

Even poorer countries in these years leading up to and post-Brundtland have adopted this concept, with a real understanding of the benefits, both in terms of speciation and biological diversity. They also realize some of the things that can come with that for poorer countries such as Tanzania, which has set aside 17 per cent of its land base to protect the larger mammals that are resident there such as lions and elephants that people want to see, but also to protect their grasslands and some of the unique species they have there.

I am prepared to listen today, hopefully later this morning, to the minister but also to my colleague so that we have an understanding that there is a responsibility for the territories and for the provinces. There is also a very large and leading responsibility for the federal government to get on with the job of isolating those areas, in a land use sense, that are the vital core areas for various species.

We are continuing to see various migratory bird species—we have about 11 right now—that are in real difficulty because of loss of habitat, loss of core feeding areas along their flyways so that as they are coming north or going south, there are huge areas where they are either short of feed or having to operate on reduced feed.

It is very important that all of our biological systems be linked so that travel ways for animals and plants permit them to have an opportunity to continue to migrate within the natural systems, and also that birds and other beings and creatures such as insects have the kind of environment about them that they require in order to get about and to survive on this planet.

There has been ongoing spin as well put to the debate that the federal responsibility may be almost done, that we are at 1.8 per cent, and by the time we get to 3 per cent, that would basically be the federal responsibility. I do not opt into that proposal because, as I pointed out in my remarks, the provincial and territorial systems as they stand are considerably smaller now than the existing federal system. In the only really large national survey, which was done in 1987 by Gallup, 96 per cent of Canadians support strong government action to protect wilderness.

In that year Canadians spent $5.1 billion on wildlife and park-related activities. It has gone up substantially each year since, both among Canadians and among visitors to our country. Canadians when asked a very simple question about environmental issues, certainly to a majority, but to an ever-increasing majority, look to Ottawa, not to the provincial or territorial capitals for leadership in particularly the designation and protection of species and of lands.

So my hope is, through this debate and through the amended wording, to make clear that this is a shared responsibility. Although the provincial responsibilities are large, they have not been doing them. I use as an example the studies that are going on in the Whale Region by the federal government now that, should James Bay I and II proceed as planned, an area six times as large as everything that is protected in Quebec would be flooded by that one project.

Clearly in terms of the definition within politicians' minds at the provincial and territorial levels, I think the federal government and all the parties in this House have a very big job to do to convince our provincial and territorial colleagues that they must work hard to provide add-on lands and programs that are suitable to dealing with those who live in those areas so that they can in fact find benefits from these kinds of land designations, which are often ballyhooed as being something that causes a loss of jobs. That is hardly the case when one looks at the studies that have been done, not just throughout North America, but in other jurisdictions. Governments have planned properly for those land designations so that aboriginal people, nearby communities and people who had residual occupations tied to those lands, are not unduly or unfairly disrupted in their activities.

In concluding, I hope that today's debate on Motion 330, as amended, will be a successful one and that both the Official Opposition and the government will take the opportunity to endorse what I believe is a much-needed moral voice from this House, that we had better get on with this task. If we were given the option now of setting aside Banff National Park with its size and grandeur, I just wonder whether or not we would have the intellectual and moral girth to do so. I hope that today's debate demonstrates that this House has the foresight to start moving to set aside at least the 12 per cent that future generations need to survive and enjoy this country the way we have.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, I welcome this opportunity to speak to a motion that is vital to Canada and to our environment, and I want to congratulate the hon. member for Skeena on the speech he just made. The Liberal Party wholeheartedly supports the campaign to protect threatened spaces and ecosystems. We must complete the national parks network by

establishing at least one protected, representative region in each of the 39 terrestrial regions by the year 2000, and in each of the 29 marine regions by the year 2010. Twenty-one land regions are already represented within the national parks system, but to complete the system, an additional 18 parks will be needed.

Even with these additions, Mr. Speaker, only 3 per cent of Canadian territory will be protected, while our target is 12 per cent.

[*English*]

Therefore, we look forward to the government announcing a strategy for promoting protection of the remaining 9 per cent.

This will entail working co-operatively with provincial and territorial governments to ensure that each of Canada's natural regions is protected. If 12 per cent of the lands and waters are to be protected, areas will have to include not only national parks, but provincial parks, territorial parks, conservation areas and heritage rivers.

This will require significant commitments from provincial and territorial governments, as well as the federal government. They may well need financial assistance. The $175 million tagged in the green plan for special spaces and species will have to be released. The short field season means that any delays now suffered in authorizations and promotion translates into much longer delays as far as the identification of new parks and new conservation areas.

If you will forgive a personal note, Mr. Speaker, I am looking forward this summer to tripping the Taft in northern British Columbia and indeed, in the member's riding. I may even have the occasion, after it is all over, to meet some Liberals in the member's riding. If not, I look forward to meeting a number of NDPers who I can convert.

I mention this because the Taft should clearly be designated as a heritage river. Yet British Columbia and Alberta have not joined the Canadian Heritage River System.

• (1130)

One would hope that this and so many other issues, such as the Banks Island National Park proposal could be rectified as soon as possible.

The member for Skeena was quite eloquent in talking about the absolute need for protecting by diversity another species.

We in Canada have a tremendous responsibility to the world. Indeed, we have a fiduciary responsibility to the world, not only to protect the vast land mass which we have been so lucky to have inherited, but indeed to show leadership to the rest of the world. How can this country stand up in the international forum and speak of the need for other countries to protect their areas, especially the underdeveloped countries, when we in this country have not taken the decisive steps that are required here.

I regret very much that my time is limited. However, it is with unequivocal pleasure for these and many other reasons that I would move the following amendment:

I move, seconded by Mr. Caccia, the hon. member for Davenport:

> That the motion be amended by deleting all of the words after the expression "12 per cent" and by adding the following words:
>
> "of Canada by working co-operatively with the provincial and territorial governments and assisting them to complete their protected area networks by the year 2000".

Mr. Friesen: I do not raise this point of order to detract from either the remarks or the motion made by the members but I am just curious about the technicality of having the same member second the main motion as well as the amendment. Is that procedurally—

The Acting Speaker (Mr. DeBlois): I apologize because Mr. Caccia seconded the motion moved by the hon. member for Skeena. On a point of order the hon. member for LaSalle—Émard.

Mr. Martin: Mr. Speaker, I am grateful to the member opposite and I would move, seconded by Mr. Vanclief, the member for Prince Edward—Hastings:

> That the motion be amended by deleting all the words after the expression "12 per cent" and by adding the following:
>
> "of Canada by working co-operatively with the provincial and territorial governments and assisting them to complete their protected area networks by the year 2000"

I really am very grateful to the member opposite.

[*Translation*]

The Acting Speaker (Mr. DeBlois): During the next few minutes the Chair will consider the admissibility of the motion moved by the hon. member for LaSalle—Émard.

The hon. member for Surrey—White Rock—South Langley.

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I take pleasure in the opportunity to speak to this motion. I think that the subject matter of the motion is very apropos.

All Canadians need to be constantly reminded that this is an issue that has immediate import on their lives and even more so on the lives of their children and grandchildren if we are going to preserve the country and the ecosystems that are so important to us.

I say the subject matter is always pertinent. I think that the motion itself is redundant because the government has already announced its intentions to do exactly what the motion requires or requests the government to do. Second, the government has already taken action to indicate its intention to proceed with what it has already said it was going to do.

I point out to my friend from Skeena that there is no greater evidence than the announcement that was made two or three weeks ago by the Minister of the Environment. He came out to British Columbia to announce the Fraser plan in which the government is assigning $100 million to reclaim the Fraser. Now I know that is not specific to this motion in that it is not setting aside a new park or protecting a new ecosystem, but it is very urgent in the sense that it is an attempt to restore an ecosystem that is in danger. All I can say is that the action taken by the government and the Minister of the Environment indicates the seriousness with which the government takes the green plan and its intention to fulfil the commitment it has made within the programs of the Green Plan. So I say that the subject is never redundant, but the motion itself is.

It is always easy to speak in generalities on a subject like this. Everybody is in favour of protecting the environment and the ecosystems that are so important to us. It is much more difficult to be specific in dealing with these subjects. It is easy for the dowagers in New York City to speak about protecting the marine park in the Queen Charlottes and so forth.

I remember a debate that was held almost exactly a year ago in this House where we were debating the importance of protecting the environment. The colleague of the member from Skeena, the member for Comox—Alberni, dwelt at length about the environmental issues facing the country and spoke, at length, about Témagami here in Ontario. However, he never once mentioned Carmanah in his own riding. Carmanah is probably the most discussed topic of the environment in British Columbia, but it never occurred to the member for Comox—Alberni that his position on the Carmanah Valley would be very important to the people of Canada, to know whether he really wanted to protect that valley or whether he wanted to see it logged. I am sure he does not want to see the valley logged, but his constituents themselves have asked where the member for Comox—Alberni stands on the subject of the Carmanah Valley. It is easy to speak in generalities. It is much more difficult to be specific about these issues.

Mr. Fulton: On a point of order, Mr. Speaker. I do not mean to break in on the member's time and I will be very brief. I would just like for the record to recognize that the Carmanah is not in the seat of the member for Comox—Alberni. It is in the seat of the member for Nanaimo.

Mr. Friesen: To be specific, it is the constituents of the member from Alberni who work on the Franklin River project right next door to the Carmanah Valley and I think the member knows that. It is the constituents who are affected, the constituents of the member from Comox—Alberni.

Finally, on this particular topic, I just want to refer to the Brundtland report, the excellent report brought together a few years ago, beginning at chapter 2.

Madam Brundtland says: "Sustainable development is development that meets the needs of present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts, the concept of needs, in particular the essential needs of the world's poor to which over-riding priority should be given and the idea of limitations opposed by the state of technology and the social organization on the environment's ability to meet present and future needs."

Those are very, very important criteria that she establishes. So I concur with the hon. member from Skeena that the government should take a leadership role in this regard. I believe it already has done so. Canada's green plan clearly states that Canada's long-term goal is to set

aside as protected space 12 per cent of the country, a goal that must be shared by the provinces, the territories, private stewards and the federal government, as the two speakers who spoke before may have already recognized.

Furthermore, the green plan contains numerous initiatives that the federal government is prepared to take to accelerate progress to meet this goal. The completion of the country's system of national parks, which is one of the oldest and most renowned in the world, by the year 2000 is an example of the one of the green plan's special spaces and species projects which will contribute to meeting the 12 per cent target.

I am also of the opinion that there is some urgency in this matter because Canada's remaining wilderness is slowly but steadily being engulfed. The federal, provincial and territorial governments must act now before opportunities to create new protected areas are foreclosed forever.

Each government owes it to the next project, the most pristine areas within their respective systems of protected areas for the enjoyment and understanding of this and future generations of Canadians.

I might inject, however, that remarks like seemingly unrestrained logging in parks really do not add to the debate when we never define whether those logging activities are designed to deal with infested areas or over mature areas which are becoming a danger.

• (1140)

We need to define actually what we mean by logging in those areas. It is not good enough to say that there is logging going on.

I am pleased to report to this House that real progress is being made by this government. The Minister of the Environment is working hard with his provincial and territorial counterparts to create new national parks. His short list of priority candidates at this time include Banks Island, Baffin Island, Bluenose Lake, the east arm of Great Slave Lake and Wager Bay in the Northwest Territories, Old Crow flats in the Yukon, the Cape Churchill area in Manitoba and the Torngat Mountains in the Newfoundland and Labrador area.

It would be useful at this time to briefly review the origin of the goal of setting aside 12 per cent of the country. I believe that the 12 per cent figure was extrapolated from sections 1 and 72 in chapter 6 of *Our Common Future*, the Brundtland report.

This report, which is commonly referred to as the "Brundtland report" proposed a series of actions to halt the extinction of species and the irreversible degradation of ecosystems globally. The report noted that although nearly 4 per cent of the earth's land area was managed explicitly to conserve species and ecosystems, a great deal more remained to be done.

It went on to suggest that the total expanse of protected areas needed to be at least tripled, if it was to constitute a representative sample of the earth's ecosystems. The application of this goal to the Canadian context was pioneered by the World Wildlife Fund (Canada), one of the country's most prestigious non-government conservation organizations when it launched its 1989 "Endangered Spaces: The Future of Canada's Wilderness" campaign.

This 10-year campaign urges governments, industries, environmental groups and individual Canadians to take action on two key points; first, to integrate conservation practices or sustainable development into the management of lands and waters used for resource production; second, to protect a representative sample of the country's undisturbed natural areas so that a minimum 12 per cent of the country's area will be protected as wilderness.

The proposition that at least 12 per cent of the country be protected has generated considerable debate among government agencies, industry and conservation organizations. Many have made the point that there is no agreed upon formula or percentage for determining that a sufficient amount of natural heritage resources has been protected.

For example, whereas the Brundtland report recommends a target of 12 per cent, the UICN, the world conservation union notes in its report, *From Strategy to Action of 1989* that if only 10 per cent of the earth's surface was devoted to protection, the trend for species and ecosystem depletion would be stemmed globally.

There are varying opinions about what the percentage figure ought to be. I simply want to underscore the fact that while this subject is always pertinent and never redundant, the motion is redundant because the government is committed to it, and the target should not be a specific percentage. The target should be what is necessary to preserve those ecosystems.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I also would like to congratulate the most distinguished member for Skeena for his motion and my colleague for LaSalle—Émard for his amendment.

I cannot say the same about the member for Surrey—White Rock—South Langley. He twice declared the motion redundant, but found it nevertheless possible and necessary to speak for 10 minutes, thus demonstrating that the essence of the motion is not redundant at all.

Considering the record of the government to which he belongs, there is no motion that is redundant in the field of the environment and conservation.

I bring to your attention, Mr. Speaker, a paragraph from the Brundtland report which reads as follows: "The challenge facing nations today is no longer deciding whether conservation is a good idea, but rather how it can be implemented in the national interests and within the means available to each country." The member for Surrey—White Rock questions the desirability of a percentage and we should not invest too many energies on that question. Certainly it would be desirable to be very flexible on this subject in certain circumstances. But considering the pressures from development and the pressures from population growth, it seems essential that a percentage be set as a goal as a guideline and a percentage below which we should not go. Therefore the percentage becomes a very important policy guideline without which we would have a variety of different standards by continent and by nation, and we would in the end not achieve the goal put forward by the Brundtland report.

Mr. Speaker, in the green plan there is a commitment to 12 percent. The green plan states that 6.9 per cent of Canada's land is currently protected. There is a controversy though on that 6.9 and it has to be put on the record. The World Wildlife Fund in Canada has concluded that roughly 3.4 per cent of the Canadian land meets the required criteria. Therefore the statement made in the green plan by the government does not seem to be supported and verified by the World Wildlife Fund, which is perhaps the non-governmental organization most active in this particular field of conservation.

The debate offers an opportunity to raise some questions in relation to the present government activities and intentions. For instance, will the government, to which the member for Surrey—White Rock—South Langley belongs, announce a target date for completing the national marine park system? Will the system of national parks be completed by the year 2000, which will then allow us to reach at least 3 per cent of Canada's land area

When will the government announce a strategy for promoting the protection of the remaining 9 per cent?

Another point that ought to be raised in this connection is, when will the federal government provide the financial support that is needed in the territorial governments to assist them in establishing territorial parks so that the achievement of the 12 per cent goal is facilitated. For instance, regional development funds, will the government to which the hon. member belongs encourage provincial jurisdiction to contribute to the 12 per cent goal by contributing funds from regional development funds themselves?

There is also the question of Canadian heritage river systems, which is a phenomenal, positive program, initiated a long time ago and to which unfortunately British Columbia and Alberta do not belong. This is an opportunity to raise the question which goes beyond our jurisdiction as to when will British Columbia and Alberta enter this Canadian heritage river system. The federal government has a certain leverage to achieve that goal.

One also has to bring to the attention of the House the fact that there is in the green plan a commitment to $175 million for our special spaces and species. When will this fund be released? Obviously there will be competition for the use of this fund, and the sooner it is made available the better. We will know also how we can achieve the goal that the hon. member for Skeena and all of us have in mind.

• (1150)

Then there is the unfinished business of the Banks Island National Park proposal. The Park Service has been working on that agreement for some time, actually since 1978. Most if not all of the issues have been settled and what is missing at this stage is only cabinet approval.

When will cabinet find the time and the will to do that? As you can see from the case of this particular site, the Banks Island National Park, it takes years to create a national park. It is not a process that takes place overnight. Actually I would venture to say that since 1984 each and every national park that has been declared by the present government is the result of painstaking and intense work of the preceding government. So here is the opportunity to bring to a conclusion something that was initiated in 1978.

In connection with this motion, we have to make reference to the necessity of including in the National Parks Act the Canadian Landmarks Program. When we debated the act the last time, unfortunately the program was resisted and despite efforts at second reading in the House, it was turned down. Therefore, we are still facing the necessity of raising this point because the Canadian Landmarks Program is not included in the new revised parks policy that is presently being developed.

We would urge the government instead to include the landmarks program because it helps in a variety of ways. It is a way of promoting federal-provincial co-operation; it is a way of stimulating public participation. It is also a very important way of developing public education on the importance and the essence of our publicly owned land, national parks, and the role that they play for the recreation and the enjoyment of Canadians, and for the preservation of course of species and valuable land.

In conclusion, Mr. Speaker, I would say that we have here a unique opportunity that the government should seize today by not talking out this bill but by recognizing that the motion by the member for Skeena, as amended, is an expression of public opinion and reflects extremely well a priority in the minds of Canadians from sea to sea to sea. It is one that the government ought to take very seriously and respect, because what we are talking about here, as preceding speakers have already said, is spaces for future generations and a policy decision that has to be made now while it is possible to make it. There are certain continents where this kind of implementation of 12 per cent of a land mass cannot be made any longer. In Canada we still have that opportunity, and we hope that there is enough enlightenment on the government side and that no one will have the talking out of this motion on June 17, 1991, on his or her conscience.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I welcome this opportunity today to speak to a very important motion presented by the hon. member for Skeena who is to be commended for having tabled this motion in the House. This motion is useful because it gives us an opportunity to address one of the goals we as a government have included in the Green Plan. Among the Plan's various objectives, Section III mentions the target of preserving 12 per cent of our natural heritage by the year 2000. In fact, the hon. member for Davenport mentioned the budget for this project which totals $175 million. I must say we are delighted to hear opposition members making proposals that are in line with the government's as set forth in the Green Plan.

I know the hon. member for Skeena made the subject a priority on the Environment Committee of which he is a member, and I am sure that all members of this committee will want to consider this question and make recommendations to the government accordingly.

That being said, Mr. Speaker, the motion presented by the hon. member for Skeena regarding the advisability of protecting at least 12 per cent of Canada's ecosystems is a complex one. The federal government is not alone in implementing this objective to protect our ecosystems. The process will also require the co-operation of all provinces, municipalities and interest groups in Canada, including native people and the general public. This is a very complex subject and one that requires the co-operation of all groups in Canadian society. The hon. member says the federal government should set an example and show leadership. That is exactly what we are doing with the Green Plan, with projects at Parks Canada and the network of new national parks that Parks Canada wants to establish in the next few years.

The Canadian Parks Service—as was said earlier—intends to establish a national park for each of Canada's 39 terrestrial regions by the year 2000. At the present time, 21 of these regions are represented. It will take 18 more parks to complete the network of national parks. The Minister of the Environment is committed to creating at least 5 new national parks by 1996 and to negotiating agreements for 13 more parks by the year 2000, which means that we should be able to reach our goal by that time.

An important step in this direction was made when the government's plans for the national parks network were published in December 1990. This paper establishes the status of the parks in each terrestrial region and identifies those regions where new parks should be created. Furthermore, Mr. Speaker, with the co-operation of the provinces and the territories, we are preparing an action plan that will determine specific strategies and timeframes for creating national parks in regions where none exist within their respective boundaries. The action plan should be ready this summer. The timeframe proposed by the Canadian Parks Service will, of course, require the support of the provinces and territories concerned, and the co-operation of residents living near the regions, as well as the co-operation of native people when their interests may be affected.

Mr. Speaker, I agree with the hon. member when he says that the situation is urgent. That is why I am happy to announce that the Canadian Parks Service is at this very moment considering 8 proposals for creating new national parks. The first one is located in Churchill, Manitoba. A feasibility study was started at the end of 1989, supervised by a joint task force consisting of representatives of federal, provincial and local authorities. This study was possible thanks to the active participation of local representatives. Although public consultation took place mainly in Churchill, there were also consultations with the neighbouring community of Gillam, with native bands with an interest in the region where the park is to be located, and other Manitobans. Native bands, especially, are now playing an active role in the evaluation process, and it seems the community in Churchill and native bands will soon be able to decide whether they are in favour of negotiating a federal-provincial agreement on the creation of a national park. If they are in favour, the Canadian Parks Service expects to finalize an agreement by 1991 or the beginning of 1992.

Among the proposals under consideration, five involve regions in the Northwest Territories, where representation is low. In the Western Arctic lowlands region, consultations with the people of Sachs Harbour about the possibility of creating a national park on Banks Island are progressing satisfactorily. Sachs Harbour is the only village on the island, and the community would like to finalize an agreement on the park by the summer of 1991.

• (1200)

Mr. Speaker, you are signalling that it is time for me to finish. Perhaps I may just take a moment to remind you that apparently, Canada's national parks network covers 1.8 per cent of our territory. When it is completed, it is estimated that the network will cover about 3 per cent of Canada's territory. The hon. member will be glad to hear, however, that when other levels of government that have taken up this national challenge have competed their respective networks of parks, ecological reserves, wildlife sanctuaries and protected areas, Canada will be close to reaching its target of setting aside 12 per cent of its territory as protected areas, as proposed in the Brundtland Report and in Canada's Green Plan.

Mr. Speaker, I think Canada is making great strides towards protecting its rich natural heritage, and I am convinced that with the co-operation of all groups involved, we will be able to—

[*English*]

Mr. Fulton: Mr. Speaker, I believe if you were to test the House you might find that there is unanimous consent for this to be deemed to have passed at the end of this debate. All members, government, opposition and myself have spoken in favour of the motion.

The Acting Speaker (Mr. DeBlois): Does the House give its unanimous consent?

An hon. member: No.

[*Translation*]

The Acting Speaker (Mr. DeBlois): There is no unanimous consent.

[*English*]

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

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT 1991

MEASURE TO ENACT

The House resumed from Tuesday, June 11, consideration of the motion of Mr. Mazankowski that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991 be read the second time and referred to a legislative committee.

Mr. George Proud (Hillsborough): Mr. Speaker, I wanted to conclude the remarks I started the other day. When I was winding up I asked that the government remember not to make the hospitals, the universities and the colleges across this country the battleground with other provinces as they all run around looking for more dollars, trying to see how they are going to exist in the years ahead.

I listened to people talk about the proposed changes to our medical programs when I was in my constituency on the weekend. I know that in my constituency last week they had an open line radio show as many constituencies do. The topic of the conversation was the possible changes to medicare, by putting the responsibility on to the provinces to make sure that the standards were kept.

As I said the other day in my speech, in Prince Edward Island and the smaller provinces, it is going to be virtually impossible to maintain the standards that have been set over the last 25 years because they do not have the resources. They do not have the resources down there to do this, so either the taxes are going to become exorbitant or the services are going to be cut.

I do not believe, as I listened to the open line show, that Canadians are prepared to see these services cut. We must find a better way of doing this. We must, in the months and years ahead, be able to maintain this health care program that is the envy of the world. We must be able to do this.

I believe that the people of Canada are prepared to pay the necessary price to maintain our health care program. I do not believe that the provinces have the resources to pick up these programs. So I ask the federal government to maintain this, to continue this program.

As I said the other day, we have a huge debt to pay, a huge deficit to pay. The people in the smaller provinces are prepared to do their part to pay that deficit, but they can only go so far. There is only so much money.

I realize and I say again, that there are many things that government, federal government in particular, must be involved in. They are medicare, post-secondary education and transportation. I have said that all through the piece. I believe that in a country as diversified, as huge with such a small population as we have, the federal government must keep a presence in these areas. I ask again that we not make battlegrounds between the hospitals and universities.

University tuition fees are going to rise and we are all prepared to accept that to a certain degree. I do not think anybody is complaining that they do not go up as the years go on and the cost of everything else goes up. But when they become so exorbitant that people cannot afford to pay these tuition fees, then we are putting ourselves in a situation where only the elite are going to be able to attend colleges and universities.

We all know that is wrong. We all fought for that and our forefathers fought so that every young person in Canada would be able to attain a university or college education. This has been the goal of the people before us, and it certainly should not change because we are here and are going to change this and drop it back again to the situation where only certain people will be allowed to attend universities.

I ask the federal government to be very careful in this area as it goes along, not to say to the provinces: "Look, we are going to push this off on you because we no longer feel this is our responsibility".

Mr. Speaker, I believe that if this were to happen and we lose, if we start to even water it down is wrong. We talk about unity in this country; unity and disunity come from many different areas, this will be one of them. If there is a lesser medical program in one province compared to another because the provinces cannot afford to pick up the cost, then I am sure that is going to cause more disunity than other things that are causing it today.

I say to the government again, please do not let this become a way of life that we cannot accept. Do not force the people to go out into the streets, as they spoke about the other day on an open-line show, to tell the government that they do not want to lose the medical and health care programs they have.

Do not let the students of this country become segregated. Do not let only the rich be able to attain a university education.

I say to the government that there are ways we can do this. We know there are deficits to pay, but we cannot let this become the total responsibility of the provinces because the provinces do not have the jurisdiction or the tax base to raise further taxes, and people cannot afford to pay it.

The federal government has dipped into the jurisdiction of the provinces and the provinces are now getting into the jurisdiction of the municipalities. There is only so far we can go. I beg this government to consider seriously what is proposed in this bill. Do not let this happen to this great country of ours.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great interest and wish to compliment my hon. friend from Hillsborough for his remarks. He does leave me with one or two questions. As I listened to him talk about EPF payments, in particular, I would gather that it is his desire and that of his party that there should be no limits on such things as transfers to the provinces, notwithstanding the fact that we have a serious debt problem in this government and in this country to which we must respond.

For example, it seems to be an eminently reasonable notion for the Government of Canada, which is allowing a growth—not a cut—a growth in expenditures of these transfers of 3.7 per cent while at the same time limiting itself to 3.4 per cent, to ask those who are the source of a good part of those financial problems through uncontrolled expenditures to participate in the restraint that will get control of them again.

My hon. friend made reference in particular to higher education. There is no question that in Atlantic Canada we are well universitized. My own province of Nova Scotia has 13 universities. His province of Prince Edward Island which has a little over 100,000 people has a university. New Brunswick, I believe, has four universities. My goodness, with a million and a half people in the maritimes, we have more universities than the province of Ontario with some nine million people.

• (1210)

My question to my hon. friend is this. Can he assure this House unequivocally both with respect to education and health care that the provinces, and our own provinces in the maritimes, are in fact making maximum benefit of those dollars that are there, or is there need for more efficient use of the dollars that are available both in terms of health care and in terms of higher education?

Mr. Proud: Mr. Speaker, I thank my hon. colleague for his comments and his questions. I guess this is a debate depending upon whose figures we are looking at when we say that the transfers have gone up. I have figures that say certainly the EPF has been frozen in Atlantic Canada, and Prince Edward Island is going to lose because of that $12 million over the next two years.

There is always room for prudence, there is no doubt about that. We have a lot of universities in Atlantic Canada, and I would hope, as would my hon. colleague, that we continue to maintain those universities in Atlantic Canada. There have been many great people graduate from these universities which are running into problems because of a lack of dollars. Some of the infrastructure has to be refurbished in these places. I believe that the money has been utilized to the fullest in these universities. Certainly there is always room to go and have a look and make sure that it is. I do not think any money has been wasted in this area. If there are better ways to do it, I would be the first one to agree.

Let us not allow these universities to deteriorate to a state where they cannot compete or operate. I would hope that my colleague across would also want to see that happen.

When you come to post-secondary education, especially in Atlantic Canada, we are running into a situation now where the transfer payments have been frozen. The university in my province to which he alluded has said that in September, 1991, the tuition fees will increase by 15 per cent. That is a fair increase for any young person who is at this time looking for a job when there are very few jobs out there. This summer there are very few jobs

in the private sector; there are very few jobs in government for university or high school students.

I believe that we always have to look at funding. We always have to make sure it is prudent. But let us not throw it away saying it is a debt that has to be paid. Let us be careful in looking at this, and make sure that if we have to do it somewhere else, let us do it somewhere else. But let us make sure that our health care and our university systems are taken care of.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I would like to ask if the hon. member for Hillsborough would find it in his heart to answer the question that my hon. colleague for South Shore just asked him.

I am interested in knowing why there are 13 universities in Nova Scotia and what is the justification. As a member from the province of Ontario, which has fewer universities, I would be interested in knowing the justification for that.

I would also like to pose one other question to the hon. member. Where does he stand on the issue of economic union of the Atlantic provinces? Does he think that might be a viable alternative in the future in order to equalize some of the disparate economic bases we have in this country? Two questions for the hon. member.

Mr. Proud: Mr. Speaker, regarding the first question as to why there are so many institutions, I suppose over the years the demand was there. A lot of people have always liked to come to the maritimes—and still do—to attend these universities. I have no inclination to say they should not be there. If we can have 13 more, I am sure the hon. member for South Shore would only be willing to see them in Bridgewater and Lunenburg. I have no doubt that these institutions have been very successful during the time of their existence. They are very credible universities.

The country began in the maritimes and the university system among other things started there. The labour movement in this country, the union movement, started right in my colleague's province of Nova Scotia. So it is very capable of producing university graduates who are capable of doing many great jobs in this country.

So far as the economic union of the maritime provinces or Atlantic Canada, that is something that has been looked at very seriously by the Council of Maritime Premiers. I am sure it is worth while to see if there are some ways that duplication could be eliminated in this area. I would hope that they are going to look at the whole Atlantic region.

Of course, we have to go back to 1864 when the Fathers of Confederation came to talk to a group of people who were meeting in Charlottetown about not only economic union, but political union in the maritime provinces. It has not come about yet and I am not optimistic that it is going to come about soon. I know that today the premiers of the four provinces are meeting to talk about this very option again.

I would just like to say that Prince Edward Island has produced more university presidents than any other province in Canada. So I think we are very successful. I do not think we need to let this situation deteriorate. If my colleague from South Shore asked me if I thought the money was being used wisely, I would say yes. There is always room to go in and have a look to make sure it is, and I have no objection to that. But I just say to the government of the day; let's not cut it off.

Mr. Turner (Halton—Peel): Just a point of clarification, Mr. Speaker. I was interested in the member's remarks but I did not quite hear if he was endorsing the concept of political union for the Atlantic region. I wonder if he might answer that particular point for the House?

Mr. Proud: The hon. member's first question was economic union, and now he has asked me for political union.

No, I am not prepared to look at political union of the Atlantic provinces as yet.

Mr. Pat Sobeski (Cambridge): Mr. Speaker, the 1991 budget sets out a plan for economic recovery, a strong solid recovery that would not only put the recession behind us but lead us forward to continuing growth and renewed prosperity. The plan demands that Canadians work more effectively in a partnership for prosperity.

For decades, the federal government has provided large and growing financial support to the provinces. This year alone total federal transfers, including both cash and tax transfers, will reach almost $37 billion. Just the cash portion of the transfers accounts for one-fifth of all federal program spending. These transfers are simply too large to exempt from the expenditure re-

straint program. The deficit is a national program problem and it demands a national solution.

Most importantly, it should be understood that in slowing growth of transfer payments, the federal government is seeking to encourage all levels of government to realistically live within their means, just as the federal government is doing with its other programs.

Both levels of government will benefit from the budget's initiatives, which will translate into lower interest rates, economic recovery and enhance long-term economic competitiveness. It is therefore in the interests of both levels of government to co-operate.

It should be noted that the 1991 budget had no effect on transfers in the current fiscal year. The 1991-92 transfers were made on the basis of the budget a year ago in February, 1990, which provinces had already factored into their planning.

What this year's budget did was to announce that the two-year expenditure management measures affecting transfers that were put in place in February, 1990 will be extended, unchanged, for a further three years to 1994-95. This gives more than a year's notice to provinces and reasonable time to adjust.

Federal transfers to provincial governments account for 23 per cent of our program spending. They will again total over $37 billion.

• (1220)

They are simply too large to be exempted from efforts to control our deficit. In 1989, Ottawa moved timidly to reduce the growth of federal transfers for Established Program Financing by reducing it to 1 per cent or $200 million beginning in 1990-91. In hindsight, this was far too little.

In cash and tax equivalents, Ottawa pours $20 billion a year into that one program, presumably to support provincial financing of medicare and post-secondary education. Since the transfers are in the form of unconditional block grants, some of the funds may find their way into provincial places unrelated to health and education.

What is far more grating to federal budget makers wrestling with the huge fiscal and political dilemma is the seeming disregard of some provinces for spending money generally, and federal transfer funds in particular.

Some provinces, such as Alberta and Saskatchewan, have come close to matching the federal level of program spending restraint. But Ontario, our richest province and the one largely fueling our inflationary situation, has been increasing its spending over 10 per cent a year and that simply is not fair.

Since taking office in 1984, federal program spending has been held to an average annual increase of 3.7 per cent a year. By comparison, spending by the provincial governments increased on average by 7.2 per cent each year over the same period. Annual provincial spending has ranged from over 10 per cent in one province—and into that you can read Ontario—to just about 3 per cent in some western provinces. Despite requests to the provinces to help out in deficit reduction, federal transfers have continued to increase at an annual rate of 6.5 per cent, nearly twice the rate of spending Ottawa has allowed itself.

The message that was communicated to the finance minister during the period leading up to the budget was that Canadians expect government to bear its share of restraint. In a budget that is tough on governments at all levels, the finance minister has declared war on the deficit. The budget included an array of measures to control government spending, including the passing of a law to place a ceiling on how much politicians can spend; another measure to apply the GST to the deficit instead of new programs, and the establishment of inflation targets, so that the public understands what price stability means.

Also, by saying the deficit is a national problem which needs a national solution, the finance minister is not asking more of the provinces than it is doing itself. Federal and provincial governments have to start co-operating and stop pointing fingers.

The message in the budget is that governments must stop spending more than Canadians can afford. Given the importance of deficit reduction, and as the largest single employer in Canada, the government is introducing a three-year program of wage restraint in the federal Public Service. In taking this step, the government wishes to stress that federal employees are not being singled out for restraint. All Canadians face difficulty during the present period. Every one of us knows individuals who have lost their jobs or are now on lay-off.

In the current situation, the government must also cut back. Pay restraint is particularly important at the provincial and the municipal levels, including education and health services.

An hon. member: Tell us about Ontario.

Mr. Sobeski: Wage and salaries in these sectors account for 45 per cent of all expenditures. Wage settlements in these sectors have been running ahead of inflation and our ability to pay. Some provinces already have introduced programs in their budgets to limit the pay increases for their provinces. My colleague reminds me that Ontario was negligent in its recent budget by not doing that.

This government will introduce unprecedented legislation this year to strictly limit spending increases in all federal programs. A new law will ensure Canadians that higher taxes cannot be used to pay for additional spending. Canadians do not want taxes to pay for more spending. They are telling governments to keep spending under control. Based on comments received from constituents, many Canadians do not believe that government can control its spending. I feel legislative controls are a way to instil confidence that Ottawa will maintain a firm control on its budget.

This law will bring in a major change in the way government manages its spending. New programs will have to be funded within the total legislative ceiling. The government will not be able to raise taxes to pay for new programs. Legal limits on program spending will be imposed for five years. With few exceptions, program spending growth will be limited to 3 per cent a year. This 3 per cent ceiling on spending growth is based on savings anticipated for specific cuts already announced in the budget so that no further cuts will be needed to meet these legislative targets.

Another important budget announcement was the establishment of the Debt Service Reduction Fund which responds directly to public concerns that revenues from the GST could be used to fund new spending rather than reducing the deficit. All GST revenues will go into the new fund and be used exclusively for lowering the deficit and bringing the public debt under control.

According to the budget documents, the GST will produce $16.4 billion for the government in the next fiscal year and $18.3 billion in the following year. It is expected to climb substantially in 1992–93 because of the one time cost associated with moving from the old manufacturers' sales tax, that the parties on the opposite side wanted to keep in place and that the GST replaced.

One time costs include the transitional grant to small businesses. Canadian businesses will receive approximately $2.3 billion to offset the federal sales tax that existed in their inventories. The entire $16.4 billion will be put forward to the annual $42 billion cost of servicing the debt in the current fiscal year. The remainder will come from general revenues.

Again, one message communicated from local correspondents is the concern that the revenues from GST might be used to finance new spending programs instead of to help reduce the deficit. But the decision to legislate spending limits and the decision to earmark all the GST revenues for deficit reduction should ease concerns about wasting that money on new programs.

In a bold move aimed at pulling down Canada's inflation rate to a 20–year low and one of the lowest in the industrial world, the federal government and the Bank of Canada have announced targets designed to reduce inflation to 2 per cent by 1995.

The government said the target is to get the year over year increase in the Consumer Price Index down to 3 per cent by the end of 1992, 2.5 per cent by the middle of 1994 and 2 per cent by the end of 1995.

In the budget the message was that inflation targets are one of the key steps on the path to price stability. They should give Canadian consumers, Canadian business, labour and investors a better understanding of how quickly price stability can and will be achieved. This should reduce the resistance to lowering inflation thus bringing the benefits more quickly and more easily.

There is no denying the direct link between inflation and interest rates. Our economic history proves it. During the 1950s and 1960s when inflation was low, averaging less than 3 per cent a year, interest rates were low. When inflation surged in the 1970s interest rates soared also. Unless Canadians are told what price stability means and what the result is likely to be, they will inevitably be reluctant to begin adjusting their behaviour accordingly. But if the country was presented with a target of 2.5 per cent for two years from now, Canadian investors, business managers, consumers and employees can begin planning now.

If Canada were to abandon now the objectives of price stability and lower inflation the country would be locking itself into an inflationary future, and would probably isolate itself as a high inflation country in a low inflation world. Even if the rest of the world were not moving towards low inflation economies, Canada could and should adopt price stability as an independent objective.

• (1230)

If we were to target, as a nation, 6 per cent as our target inflation rate, a $100 purchase 12 years from today would cost $200. It would double in price in 12 years, and 12 years after that, it would cost $400.

If we were to achieve a 3 per cent inflation target, the $100 good today would take 24 years to reach a price of $200. Therein lies the importance of inflation targets. If we do not start on it today, the question that will be talked about in this House 25 years today will be: Why have prices quadrupled in Canada but maybe in the United States or in the rest of the world, they have only doubled? If we do not do that, certainly this country will be in major difficulty.

Inflation also creates real problems for wage negotiations. Employers and employees often have quite different expectations of inflation, and this makes it harder to agree on a fair settlement. It is not surprising then that periods of high inflation in Canada are matched by an increase in days of work lost due to strikes.

Let us review an example of the impact of inflation and wages on a settlement. A company expects its revenues will only increase 3 per cent next year. If it raises prices any higher, it may lose sales to lower price competition, so it offers its workers a 3 per cent wage increase.

The workers are sitting back and they expect that the consumer inflation will be 5 per cent. In fairness, they want at least this amount so they can maintain their standard of living. This puts the company between a rock and a hard place. If it gives the 5 per cent wage hike, it could become less profitable and even go out of business. If it does not give the workers what they expect, the result could be a strike which could then mean lost sales and lay-offs.

That is an example of why nobody is a winner with high inflation. It should be acknowledged that there are numerous problems with setting targets. Using the Consumer Price Index as an indicator of inflation is certainly open for debate. There are unexpected price shocks such as an oil price explosion and that could throw inflation off the target set by the government and the Bank of Canada. These are weak reasons for avoiding explicit inflationary and monetary policy objectives.

If we want this economy to be lasting, we need to do a better job of fighting inflation pressures. Our national goal must not be just to control inflation, but to get it down dramatically and then keep it down. In other words, our goal must be to achieve price stability.

The economic and social benefits of price stability are enormous. Lower interest rates are one example of one benefit in achieving that stability. Price stability is vital for Canadian consumers and Canadian companies to compete and succeed in today's global workplace.

I would like to conclude with a statement that a former British Prime Minister of the Labour Party gave in September 1976. James Callaghan said:

> We used to think you could just spend your way out of a recession, and increase employment, by cutting taxes and boosting government spending. I tell you in all candour that option no longer exists, and in so far as it ever did exist, it worked by injecting inflation into the economy. And each time that happened, the average level of unemployment has risen. Higher inflation, followed by higher unemployment. That is the history of the last 20 years.

I close with those comments from the Labour Party back in 1976. Before I sit down, I move:

> That this question be now put.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, the hon. member in his speech made several inaccurate statements when he suggested that we in this party were in favour of retaining the old manufacturers' sales tax.

He knows perfectly well that the record indicated our willingness to scrap that tax. We thought it was a bad tax. He knows that in committee we were not supporting the existing tax, and yet he chooses to flaunt this myth in the House in an effort to try to discredit the opposition. It has done such an effective job as evidenced by the polls,

that it has left his party in tatters at 14 per cent. I do not want to dwell on the polls. What I want to do is refer to the really shameful charade that he and the Minister of Finance have engaged in with respect to the goods and services tax and the application of the revenue from this tax to this Deficit Reduction Fund, which we all know is the biggest case of paper shuffling we have seen in the Government of Canada for many years.

Would he not admit that in his calculations, when the federal deficit is $30 billion a year—I guess it is down to $30 billion or it might be $31 billion this year—and the revenues from the goods and services tax are less than that figure—about $22 or $23 billion according to the original estimates and they will go up no doubt, because the government I think deliberately underestimated those figures—it is no problem to apply all the funds from the GST to reduce the government deficit? It could be argued that you would have to increase the goods and services tax to reduce the deficit, because the GST is not reducing it, it is just paying part of it.

What the government is doing in this case, I suggest, is creating this phoney fund, this Deficit Reduction Fund, putting the revenues from the goods and services tax into it and claiming that somehow it is not using the GST for other expenses. Does he not admit that that is a bit of a fraud on the people?

Mr. Sobeski: Mr. Speaker, as a member of the finance committee I sat through the 18 months of GST hearings where we had a number of companies come forward with suggestions. I think the hon. member knows that his party's recommendation in its minority report, after listening for 18 months, was that the finance minister resign. I point that out because I think it is important that all governments, all parties, but particularly, all governments, federal, provincial, and municipal, have to work together to solve this particular problem.

The member is suggesting in his question that, indeed, this calculation may be all smoke and mirrors. I think that is what he is saying, but the bottom line is this. If the government has projected a deficit this year of $30 billion, and if the GST brings in $1 billion additional revenues, then at the end of the year, all things being equal, that budget deficit should be only $29 billion. This is a clear way for Canadians to see that the excess money was used to reduce the annual deficit. They will recognize that.

I know the member over there is disappointed because his party would be sitting there planning how to spend this $400 million that has been reported in the press. The NDP have probably already figured out where it is being spent.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, I just wanted to ask my colleague whether Ontario's budgetary measures on the federal scene, given the fact that the Government of Ontario has made an obligation to double the wage increase that the federal government has done for its own civil servants, that provincial spending is up by 13 per cent year over year, that senior Ontario civil servants will be given bonuses of $11,000 each, and seeing that there is a deficit of $9.7 billion in the province of Ontario, plus a further billion in tax increases, would be likely to have an impact on the kinds of targets the hon. member is talking about? In other words, do we have governments working at cross purposes here in terms of having provincial government budgetary actions impacting on federal budgetary actions and hurting all Canadians. I would be interested in his comments.

Mr. Sobeski: Certainly, many in Ontario are concerned about not only the one year deficit projection of the budget of the New Democratic Party in Ontario, but the projection of that budget extending out of deficits of $8 billion continuing four years from now. The concern that Ontarians should have, and all Canadians, is once you get on that slope when do you get off it?

• (1240)

Back in 1968 when Edgar Benson presented a balanced budget, at that point in time the federal government was paying approximately 12 cents of every tax dollar to reduce the debt, and by 1984 at the end of that reign, it was close to 32 cents of every dollar of tax money going towards the debt.

The hon. member is quite correct, because once you have that yoke around your neck—today it is close to 34, 35 cents.

What has happened in the province of Ontario is that today it is 11 cents of every tax dollar that is spent for debt. If you use the example, going back, that is exactly the predicament that the province of Ontario will find itself in unless they do something tremendously drastic. I am sure that when it goes through their budgetary hearings—and I am hopeful—that the NDP government

will listen to the concerns coming before committee just as this government also listens to concerns.

While I am on my feet, Mr. Speaker, at the time I moved that this question be put, I neglected to mention that it would be seconded by Mr. Bouchard. Thank you.

Mr. Karpoff: Mr. Speaker, on a point of order.

I believe that by the procedures in this House, you cannot move a motion under questions and comments, and the motion was not properly put while the member was speaking so he now cannot correct it and put it during questions and comments.

The Acting Speaker (Mr. DeBlois): I think you are right, because the motion was not moved with—

[*Translation*]

The motion moved by the hon. member for Cambridge did not have a seconder and, consequently, is not admissible at this time.

Three minutes left for questions and comments. The hon. member for Kingston and the Islands.

[*English*]

Mr. Milliken: Mr. Speaker, I have another question for the hon. member because the other thing he talked about in his speech was this wonderful policy that he claims the government is introducing. It is frankly not in this bill, so I wonder why he was talking about it. But I guess a speech is a speech. But he talked about this wonderful policy that the Minister of Finance announced in his budget wherein we would pass an act in this House to restrict future government expenditure.

I know the purpose of the bill is to restrain his colleagues in cabinet from their wasting ways in spending money that they should not be spending. I know that is the purpose. But set that aside for a moment. What he was trying to claim by this bill was far beyond that; he was trying to claim that somehow this bill restricted future governments from introducing new programs unless the money was raised in taxes to pay for the programs.

Will he not agree that that statement is patently false and that all a government introducing a new program has to do is introduce an amendment to this particular bill, once it is passed, which will then be an act, and say that this particular program is exempt from the provisions of that act or repeal the whole wretched act and that is the end of it?

In other words, this is no restraint on Parliament at all. This is mere window dressing designed to deceive the people of Canada into thinking that this government has finally done something about the deficit, after seven years of inactivity.

Mr. Sobeski: Mr. Speaker, I think it is important on this particular piece of legislation that indeed the government has put a control on the spending side, and not like the United States which introduced a similar bill and also tried to make revenue and spending projections. This is a limit just on the amount of money that can be spent by this federal government.

The concern is certainly because of the track record, because Canadians are concerned, and part of it is that the track record of spending by the federal governments over the past few years has to be looked at. The hon. member represents a party that certainly opened the vault door but could not decide how to keep it closed. It is indeed possible that down the road a government could change the legislation, and that is exactly a possibility.

But I think that this government has demonstrated spending restraint. One of the decisions the Canadian voters will have to make is will they continue to trust a government that has actually put that measure forward, or will they open the doors down the road and let the Liberals allow inflation to get out of hand. Then indeed this country will be in great difficulty 20 years from now.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I could speak on this bill for several hours, and I am going to find it very difficult to restrict myself to the 20 minutes I have.

In the limited time I have, I want to talk about two or three significant things that this bill does. First of all, I want to talk about the whole question of debt because the Conservative approach to debt and deficit reduction is to off-load that responsibility on to other levels of government. They have not curtailed their own expenditures, they have simply said: "We will not honour historic agreements in Canada for transfer of payments."

The Conservatives make a lot about the question of the Ontario deficit, but they do not say that $3 billion of that deficit is because of loss of revenue from the federal government.

The UI increases in Bill C-20 amount to $150 per worker for a worker who is earning only $27,000 a year. That has a significant impact. It is a tax increase on working people, particularly affecting those on low incomes or fixed incomes. It is also a tax increase on small business. Small business has difficulty meeting its increased costs under UIC.

In the meantime, the federal government has withdrawn from its historic responsibility in unemployment insurance.

I will just talk briefly about the effects this is having on my own local community of Surrey. What does this mean? The UIC changes mean that the Surrey municipalities must raise $300,000 more for unemployment insurance premiums this year. That means that the taxes on people's homes have to be raised, and that certainly is not fair to Surrey residents. It means that the school board has to take $1 million out of educational dollars and put it into unemployment insurance that has been the responsibility of the federal government. What does that mean? It means they have had to cut teachers. They have had to cut back on special programs to assist children with learning disabilities. That is not fair to my local community.

What about the Surrey Memorial Hospital? The cutbacks to UIC mean that they have to come up with $350,000 more for UIC premiums. We already have had long waiting lists at the Memorial Hospital. These are now going to get longer because staff have had to be cut and services have had to be reduced. So it has a health impact on people at the local level, and communities like Surrey are forced to bear the brunt.

All the federal government has done is take its responsibility and put it down on the local taxpayer and the local government. Because of its fiscal mismanagement and its fiscal incompetence, it has said: "We can no longer deal with it, we are just going to throw the whole mess to the local government and hope that they or the provinces can."

The curtailment of the Canada Assistance Plan for the three big provinces simply means that those provinces either have to slash money for child welfare, child protection, services to single parents who are on welfare, or they have to pick up the cost.

I think this whole way that the federal government has decided to deal with its deficit problem is going to result in not only a curtailment of services right across the country, but in extreme difficulties at the local level.

I want to spend most of my time talking about health care because in Canada health care has been a source of national pride. It is one of the areas and one of the fundamental ways that Canadians define Canada, particularly as distinct from the United States.

• (1250)

In Canada there are no financial barriers to people seeking medical treatment. The system is relatively efficient and is widely supported. Canadians move within Canada on business, holidays and to seek employment with the knowledge that similar health care standards are met in all provinces and territories. This promotes a national identity and national unity.

Any changes that would result in the erosion of our national programs are not supported by the Canadian public, but what we have seen is a consistent attack on national medicare. This is not a recent attack. This did not start in 1984. This started under the previous Liberal government in 1975.

It put a ceiling on its transfer of payments to the provinces for medicare, the same as the Tories have done now. It arbitrarily put a ceiling on the transfer payments. Then in 1977 it forced the provinces into block funding. The only party who opposed block funding was the New Democratic Party.

In 1982 the Liberals brought in legislation to do away with the revenue guarantee which cost the provinces $4 billion over the next five years and loss of income for medicare. Under the Liberals the share of federal costs or expenditures for medicare went from 50 per cent to 43 per cent and of course, under the Tories it has gone from 43 per cent down to 37 per cent, with projections now in the last week coming out to say that by the end of the five years it will be down to 32 per cent.

The Liberals set the platform. They set the means and the agenda for the attack on medicare, and of course, the Tories were excellent learners. They were even more than good. They learned very quickly and the first thing they did was to start limiting the projected increases under established programs.

Let's look at what the Established Program Financing was. It was based on the increase in gross domestic productivity. In other words, if the economy went up, the transfers went up. If the economy did not expand, the transfers did not expand. In spite of the fact that there was an expanding economy the Tories brought in arbitrary and unilateral legislation to limit transfer payments.

In 1986 when it was brought in, it was to be 2 per cent less than the GDP. In 1989 it was raised to 3 per cent. Last year in 1990 the government froze it for two years and now in this bill it is freezing it for a total of five years. The loss of revenue to the provinces in terms of what they should have received and anticipated receiving for medicare is dramatic.

Provinces like my home province of British Columbia will receive $3.5 billion less for medicare by 1995. Ontario will receive $10.58 billion less.

By the year 2000 there will have been $62 billion taken out of medicare by this federal government. That is not counting the money that was taken out by the Liberals that also affected the base line and has been estimated to probably be in the neighbourhood of $1 to $1.2 billion a year.

What we have is a dramatic erosion of medicare by the federal government. These estimations on the loss of revenue for the provinces have been repeatedly documented by organizations like the National Council on Welfare. The Parliamentary Library has documented it as has the Association of Universities and Colleges. Yet the government pretends that it is not so.

By 1995–1996 there will be no more cash payments to Quebec, and a few years after that to any other province. This means that we will no longer have a national medicare program that can be enforced. We will be going into an Americanized system.

We should be very careful about how we approach this. If you look at the American system, it spends 10.63 per cent of its GNP on health care compared to Canada at 8.62 per cent. They say down there that 37 million people have no health insurance, and another 20 million have inadequate health insurance. That is what is going to happen if we proceed down the path set by this government for national medicare.

I want to spend a few minutes looking at the impact of the cuts on medicare first of all and what the cuts in the transfer payments mean at the service delivery level. The impact is dramatically different on the wealthy provinces as opposed to the poorer provinces. The wealthy provinces still have some financial capability to absorb some of the fiscal cuts from the federal government without dramatic reduction of services. That is not true in the weaker provinces.

In provinces such as Newfoundland, 10 per cent of the nursing staff had to be laid off because of the reduction in money from the federal government. They had no choice. That is a province that is already spending 9 per cent of its GNP on health care. Prince Edward Island is spending 9 per cent. Nova Scotia and New Brunswick are spending 7.5 per cent. They are already spending a large percentage of their GNP on health care, much more than the wealthier provinces, which the minister must know. Ontario spends only 5.5 per cent of its GNP on health care. Alberta spends 5.8 per cent, and B.C. spends 6 per cent.

The provinces that are in the weakest financial shape and are already putting out the highest percentage of their GNP on health care have no alternative but to slash medical services in their provinces and close hospitals.

Mr. Bouchard (Roberval): You always have a choice. Alberta is not the poorest province in Canada, my friend.

Mr. Karpoff: Alberta may not be, but talk to people in Newfoundland, Nova Scotia and Manitoba. Ask them if there is not an impact on their ability to deliver health services by this government's unilateral and uncalled for cuts in medicare.

One of the things we have seen already—

Mr. Bouchard (Roberval): Mr. Speaker, I cannot prevent myself from raising a point of order. A couple of times the member for Surrey North, who is my critic by the way, has said that the government cut transfer payments. That is not true, Mr. Speaker. We have increased transfer payments every year. We have reduced the pace of transfers, but it is wrong to say to Canadians that we have cut them. We have not cut, and we have all the figures to prove that my friend is wrong.

[*Translation*]

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): I think it is a matter of opinion. I will have to give the floor back to the hon. member for Surrey North. However, before I do, I would like to correct a mistake I made.

Earlier, the hon. member for Cambridge asked that the question be now put. I checked *Hansard* and realized that the motion had been made properly. The Speaker usually checks by looking the way of the sponsor that the motion is seconded, which I failed to do. So, to rectify my mistake, I am prepared to put again to the House the motion properly presented by the hon. member for Cambridge.

• (1300)

[*English*]

MEASURE TO ENACT

Mr. Karpoff: I am sorry, Mr. Speaker, I did not catch the full impact of your ruling.

Are you saying that the question was in fact seconded? There was no one in the House who stood to second it, and the member certainly did not indicate that any member in this House was seconding it.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It is customary for the Speaker to look over to the party where the motion originated and, usually, someone will volunteer to second the motion. In this case, I did not do so.

So, in all fairness, I have to backtrack and do now what I did not do when the hon. member for Cambridge made the motion. I would appeal to the co-operation of the House on this. The motion was made by the hon. member for Cambridge at the end of his speech. Therefore, I now look to the government side and I can see that a member is supporting the motion.

Therefore I will put the question again.

[*English*]

—Mr. Sobeski, seconded by Mr. Bouchard, moved that the question be now put.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Karpoff: Just looking at the whole issue of the cutbacks, I think the government has tried to play tricks with the Canadian public. There was a formula in place that said there would be an increase in payments, and all the government has done is they have said: "We are not going to honour that formula; we are not going to honour the formula that had been agreed to, and we are not going to pass on the increases".

It is the same as if you had a wage contract that called for percentage increases over the next several years, and one day the employer came along and said: "We are not going to honour it".

In the workers' pockets there is that much less money, and they can play around all they want but in the provinces' pockets there is going to be $62.4 billion less by the year 2000. That is going to have a tremendous impact on our health care in this country.

I have talked briefly about the impact on the ability of the provinces to deliver health care services. There is a whole range of things that the provinces have started to do. They have cut back on things like eye examinations, on general health examinations; they have laid off staff; they have closed hospitals; they have also started to talk about the introduction of user fees and extra billing. In fact Quebec has a bill before its assembly to do just that for hospital emergency wards.

There have been many finance ministers in the provinces who are starting to say: "Look if you are not going to give us the money, if you are going to continue to cut back on our anticipated transfer payments, then we want the ability to manage our health care systems as we see fit".

The minister of health in this House last week confirmed that by 1996-97 Quebec will be able to manage its health care system as it sees fit because he will no longer be in a position to enforce standards.

This issue of national standards is one with which the government is trying to play games. It says that it can cut back the money and still insist that the provinces meet national standards. These are the standards that Canadians have learned to accept in our health care: universality, accessibility, non-profit administration, comprehensiveness, portability. Once the federal government's ability to enforce these standards on a national basis is lost, what we will have is not a national medicare program, but we will have 12 different jurisdictions all with 12 different sets of standards and 12 different goals,

including such things as the introduction of user fees and extra billing.

The federal government is saying that it does not believe this is going to happen, that it can cut the dollars and still insist on the provinces meeting its standards.

I think that is a little bit naive on the federal government's part. This bill says that it will attach other transfer payments. I say to the federal government that at this point in time, in the sensitivity of our relationships across Canada, it is inconceivable that either politically or legally it can sustain the position that it will be able to attach the kinds of dollars from other programs that it is cutting if it is not transferring cash payments under medicare.

The Canadian Council on Welfare I think summed that up clearly in a report that it released last year. It says: "Under the budget proposal, Ottawa apparently intends to withhold federal payments other than payments for health care from the provinces and territories which do not respect the principles of the Canada Health Act once cash portions of EPF run out."

The National Council on Welfare cannot imagine the provinces and territories letting this proposal go unchallenged. The delivery of health care services is within provincial jurisdiction under the Constitution. It is only the federal spending power that allows the federal involvement in this area. It is difficult to imagine how Ottawa could continue to maintain its presence once the money for medicare dries up.

In any event, it is obvious that the final word on the proposed legislation will come from the Supreme Court of Canada rather than the Parliament. We would much prefer to see the federal government reconsider its course of action and make such legislation unnecessary.

One of the things that we have already found out is that the province of British Columbia, joined by other provinces, has initiated court action when the federal government tried to curtail Canada Assistance Plan payments. That is where the federal government simply had to give a year's notice and it failed to do so.

So I do not see how, in a time when national unity is very, very fragile in this country, when we need the co-operation and the goodwill of all of these provinces, how the federal government can, on the one hand, say it is going to cut the money that it is transferring, but it is going to continue to try to tell the provinces what they can do in an area that it does not have any constitutional authority in.

I think we have already seen the indication from the provinces—

The Acting Speaker (Mr. DeBlois): A point of order.

Mr. Bouchard (Roberval): Mr. Speaker, I do not rise on debate. There was an inaccuracy when the member said that we tell the provinces— and we will tell the provinces—what to do. He is wrong. They have all the flexibility even to put the user fee on if they want.

• (1310)

In other words, I want to correct my friend and say that we do not have the power to tell the provinces what they should do. The provinces have all that flexibility.

Mr. Karpoff: Again, the minister is attempting to mislead Canadians. It is true that technically you cannot order them what to do, but you can impose a financial penalty on them to the point that it becomes impossible for them to do it.

For every dollar they would save or collect by doing something like putting in user fees or extra billing, you take $1 away from them. It is by financial incentive that you force them to do things or not to do things.

It is true, they can commit suicide. They can go ahead and try to introduce user fees. You would simply take the money back. It is technically true that you cannot legislate. There are other sections in the Canada Health Act which indicate that you could make it mandatory. You could impose other penalties on a province over and above the dollar for dollar take-back of money.

It is true that the federal government does have other powers under the Canada Health Act to enforce the standards that it wants the provinces to follow. I notice that my time is up.

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I would like to correct all the inaccuracies in what my friend has said, but I will not have enough time in 10 minutes.

I will just make a short comment and ask questions of my friend. My comment is that Canadians, as it is quite obvious, know that the poor provinces get more money from the federal level than the rich provinces, and he knows that very well. It is based on a per capita basis.

For example, Newfoundland receives about $2,500 a year per person while there is about $965 per person for Ontario. In other words, we treat the poor provinces differently in light of the capacity they have to pay for what is considered the best health system in the world.

My friend knows that very well. He looked, as I did, last weekend at what was said in the United States about the Canada Health Act. It did not say that it will not be good tomorrow. It said: "It is the best in the world today." We have had it for seven years, which means that we did something for it.

The growth in the poor provinces increased faster than in the rich provinces. It is 4 per cent, as opposed to 3 per cent. I could continue with figures for a while, but I want to give my friend a chance to explain to me something he said about the fact that we pay 38 per cent and the provinces pay an average of 62 per cent rather than 50–50 in terms of the cost of the health care system in the country.

I would like my friend to explain to me exactly how and why it has been changed. Maybe I am wrong, but he seemed to say that it was changed by the former government in 1977. How was it before and why is it the way it is today?

Mr. Karpoff: Mr. Speaker, I would be delighted to respond to the minister's questions.

First of all, let us make no mistake. All you had to do was watch the last several provincial budgets to know that the poor provinces had no alternative but to dramatically slash their health care services because of the cutbacks in EPF payments. They anticipated receiving payments from the federal government but they did not receive them.

There is no way you can wiggle around and use words. There is $62.4 billion less going into our health care system under your government by the year 2000.

You are correct that the erosion of medicare started under the Liberals. Prior to 1975 it was a 50–50 program. It was shared 50 per cent by the provinces and 50 per cent by the federal government. Then there was a cap put on the federal government's share unilaterally.

As a result of that the EPF was put in place. It was a block funding mechanism which limited the amount of money the federal government would transfer. The minister knows this very well. I am sure he is probably even more familiar with it than I am. It limited the amount of money the federal government would transfer to the provinces by a formula based on expenditures in the previous years, the increase in population and the growth in GNP or GDP.

That formula has been in place except for the time it was tinkered with by the Liberals in the early 1980s and has been totally demolished by the minister's government starting in 1986. The formula was there to transfer moneys to provinces based on growth in the economy. The economy grew and the federal government unilaterally, without consultation and without any concern about the impact that would have on the ability of provinces to deliver health care, changed the formula. Initially it went to 2 per cent less than GDP, 3 per cent less than GDP and then frozen for two years and now frozen for five years.

I am sure next Wednesday, when the minister meets with his counterparts from the provincial health ministries, they will all say to you that the actions of this government have severely hurt their ability to deliver effective, efficient and accessible health care in their provinces.

Mr. Bouchard (Roberval): Mr. Speaker, I wish to inform my friend that his explanation of the way it worked in 1977 is not exactly correct.

It is not my role to explain what a former government did, but it was not the federal government that decided. It decided to change the formula because it was requested by the provinces. They wanted more flexibility. They wanted to determine exactly what type of care they would provide to their constituents.

In other words, if a province makes the decision to pay the ambulance from Vancouver to the hospital, it can do that. It is within its flexibility. It is not what we consider, as agreed by the provinces, a medical service given by a

doctor or a hospital and therefore it could be done by the provinces but the provinces will pay alone.

We transfer two tax points which were used by Quebec, in Ontario to a lesser extent, and in other provinces. In other words, when you say 38 per cent, you should tell Canadians that it was requested by the provinces because they wanted to manage their own systems. They asked for more flexibility. We do not have the right, as we do for the social services, to ask for 50–50. It is quite different and it has to be explained because it is the reason we have good service. We have big principles. Services have to be provided by doctors or in a hospital. They are the only constraints. The provinces can do what they want. It is quite different.

Mr. Karpoff: I would like to congratulate the minister for being in the House while this important debate is going on. We do not normally have the opportunity to get into a discussion with the ministers on these kinds of issues.

On the whole question about the changes in the formula and the flexibility under block funding, it did allow the provinces more flexibility but they requested it based on the fact that they had a formula in place which they thought guaranteed them moneys in the future. They thought, mistakenly, that we would accept this idea of better management and more flexibility of our health care dollars on the understanding that we know now, next year, five years from now and ten years from now what the transfers we will receive from the provinces will be. That was what the EPF was all about.

They took on the role of managing the health care dollar better. They took on the role of flexibility and then they were totally double crossed on the formula because both the Liberals and the Tories, particularly the Tories since 1986, have unilaterally scrapped the formula. That is what has happened with health care in Canada.

• (1320)

The provinces bought into it on the basis that they had a formula that would give them a guarantee. All of a sudden, that guarantee has been worth absolutely nothing.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, my question to my hon. colleague has to do with unemployment insurance. He has spoken about the increases both to the employer and the employee.

Under Bill C–21, a bill that was passed by this House and sent to the Senate, we would be looking at longer hours to qualify for unemployment. If I remember correctly, my hon. colleague did not agree that we should make it longer hours to qualify.

It was passed by the House and went to the Senate. The Senate did not approve it. Was the hon. member in agreement with not extending the hours and therefore costing both the employer and the employee additional funds? Does he feel that unemployment is a way of life, and not an interim measure when people are unemployed?

Mr. Karpoff: Mr. Speaker, if we get many more Tory governments, unemployment insurance is going to be a way of life for people if the way of life is not welfare. We have seen that dramatically in the last year or two. That is a way of life.

I did not agree nor did my party agree with the cutbacks in the UIC plan whereby the people had to work longer for less benefits.

Furthermore, we did not agree with the fact that the federal government again unilaterally pulled out of its historic responsibility to contribute to the unemployment insurance fund. It simply dumped it on to the employees and the employers, which hurt small business, municipalities, hospitals and school boards in this country.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I am delighted to debate today Bill C–20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26 of this year.

What is it really? This bill covers a lot of issues that will adversely affect Canadians, but there is one issue on which I would like to focus in light of my responsibility as critic for health and welfare.

Before I get to that, I would just like to indicate for the record that I recognize that this bill will address amendments to the Parliament of Canada Act, Public Utilities Income Tax Transfer Act, the Unemployment Insurance Act and the Federal–Provincial Fiscal Arrangements Act.

In so far as the Unemployment Insurance Act is concerned—I was listening to some of the questions posed earlier by the government side—I would like to remind the House that during debate of Bill C-21, the Unemployment Insurance Act, the government made some assurances that though direct contributions would cease, the government would nevertheless be there to help finance the program in difficult times.

We are in difficult times. We are still in a recession. If I would quote Mr. Wilson as he indicated in his budget papers of 1989, he said: "The government will continue to contribute to the financing of the program in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build in the unemployment insurance account."

He went on to say on October 22, 1980 through a government senator: "The other place was assured that Mr. Wilson, during a lengthy crisis, would provide money to supplement the UI account."

That has not been seen and I would just like it to be recorded.

I would like to focus, as I said earlier, on what this bill is in so far as the future of medicare is concerned. For me, that future is the end of medicare.

Last night I was in my office past midnight sorting out sheets of newspaper clippings—and I have a lot here—set out before me. There were dozens of stories from newspapers all across this country along with reports, press releases and all the speeches of mine. They all said the same thing. Medicare is dying. Who holds the knife? The government does hold the knife. The knife is a bill like C-20 before us.

In my mind I retraced the steps of this death sentence on medicare from Bill C-69 through two budgets of this government and they rank with the bile of heartlessness. I thought, "How can the government expect to succeed if it destroys medicare?" How can the government expect to save this country if it destroys our sacred national institution?

I believe I found the answer in a reply from the Prime Minister during Question Period on June 4, and the records of *Hansard* can be checked. When the Prime Minister was questioned about reductions in transfer payments, his reply was a lifeline for a sinking government. His reply hinged on an ability to make the Canadian people accept blame for the inabilities of his government. I quote his response:

> We are all in favour of the most advanced and most modern medicare system and the most generous in the world. But we're going to have to find the money to pay for it. These funds come from taxpayers.

He went on to say that lower taxes and improved services, and I quote:

> Both can't work together simultaneously.

The Prime Minister is trying to convince Canadians that they expect too much and pay too little. There must be a sacrifice and loss, payment for living a lifestyle beyond our means. As two elections will show, Canadians believed in the Conservative government's financial vision and that is sad because the Tory caucus trademark since coming into government has been a social policy by stealth. This is not an original analysis. This is an analysis done by Mr. Gratton Gray in an excellent article published recently in *Policy Options*.

In other words, this government has carefully disguised as sound fiscal management changes that serve to destroy our social system including medicare.

Recall 32 tax increases in six years. That has been phenomenal. Safety nets so low you fall further before reaching them. Children of poverty—over a million. Free trade, its debacle effect on loss of jobs. Now we are seeing cross-border shopping and hospitals barely able to cope, but everything is the fault of the Canadian public, so the Prime Minister would like us to believe; at the Canadian public have lived beyond their means and expected too much. Now is the time to pay for the misdeeds of decades.

I say it is untrue. There is nothing seriously flawed about our federal health care system. In fact it is one of the best and most efficient in the world. The minister of health earlier this morning during debate has alluded to that. If it is really as good as he said it is, then why is he trying to dismantle it? It does not make common sense.

I should say that the medicare system was recently lauded by the Comptroller-General of the United States who when speaking before a U.S. congressional committee said, and I would like to quote:

> In 1987, Canada's per capita spending on insurance administration was one-fifth that of the United States. Canada spends less because its publicly financed, single-payer system eliminates the costs associated with marketing competitive health insurance policies, billing for and collecting premiums and evaluating risks.

For physician services, Canada spent 34 per cent less per person in 1987 than did the United States. This difference is largely the result of Canada's controls on physician fees. In addition, the Canadian physicians have lower practice expenses for billing and malpractice premiums.

For hospital services, Canada spent 18 per cent less per person in 1987 than the United States.

• (1330)

The same Congressional Committee heard testimony from an American family with a young daughter whose illness was so expensive to treat that they could no longer find a company to insure them. This family was considering fleeing to Canada to become "health refugees". And we want to destroy our medical system, Mr. Speaker?

This is what happens when private insurance agencies control medicare. In the United States there are almost 1,500 insurance companies. The bureaucracy of dealing with these companies—for billing, for payments and communication—consumes much of the time of doctors and their staff.

The Canadian model is cost and people efficient, freeing our health care professionals to do the jobs they have been trained to do.

Yes, medicare is valued, and it is a right of Canadian citizenship, but it is more than that. Medicare is a necessity. It is a national necessity.

If your citizens are not healthy, then your country is not healthy. In the United States there are over 31 million people who have no health insurance and many more who are under-insured. Their lives are mired in fear for their own futures, afraid they will become ill, a fate which often destroys them financially.

Last week in Prince Edward Island the federal finance minister shrugged his shoulders when his provincial counterpart requested more money for services. I would like to quote. "We are doing the best we can", were the comforting words he gave them to take home to health care systems in crisis. "We simply cannot afford the type of escalation we have had in the past."

Well, I would like to put on record that the forthcoming report of the Standing Committee on Health and Welfare, which I believe will be tabled in Parliament before the end of the week, shows the funding for national health care has been more or less stable since 1975 as a percentage of the gross national product. And the gross national product ought to be looked at by Canadians as a measure of our ability to pay. So we must be careful when this government tries to scare Canadians and say we have over-spent.

Sure, we need reforms, but the way to reform is not to kill medicare. The way to treat a patient is not to kill the patient but to truly provide the necessary remedies of genuine reforms.

In real dollars the cost of transfers per capita in 1978–79 was $705 while today the amount is $805. In another three years that figure will drop to $689, according to the National Council on Welfare.

A much more sobering thought is the Council's prediction that transfer payments will stop altogether by the year 2010. That year is really within clear reality, it is soon to come. Others say that is a generous timetable, giving the system fewer years to crash. Meanwhile, if the transfer payment schedule continues as now is proposed by this government, the federal government will save at least $97.6 billion in the next nine years. When we speak of saving $97.6 billion, it sounds terrific.

But the government is not telling us that this is not a true saving for Canadians. The load of this expense will be transferred to the backs of the provinces. Who will pay the taxes? The Canadian people will.

Mr. Speaker, this is political trickery in a real sense. This money will need to be replaced by the provinces if they are to ensure that the quality of health care will be there.

The government accuses the opposition of scaremongering when we say the government is driving Canada towards a two-tier health care system. Those who are watching the government see bills like C-69 now law, and C-20, the bill before us. They see transfer payments being cut and frozen, and what are they to believe? They see this everywhere in newspaper reports. Should we shut our eyes and pretend nothing is wrong? Should we pretend that our hospitals are not closing beds and that our nurses and doctors are not stressed to the limit; that there are not queues for every type of surgery, including surgery in life threatening situations?

Funding for Established Program Financing must increase at the same rate as the Gross National Product, not GNP minus 3 per cent. It is of little help to many provinces, particularly the have-not provinces if tax points are increased while cash transfers diminish. The government does not deny that this is happening, but what it is continuing to deny is that the reality will happen, that medicare will die. I would like to shake this government to come to consciousness to save our sacred Canadian institution.

Listen to one finance minister from Prince Edward Island again. I find it "excellent" to discuss the gloomy situation for medicare. "Every time the federal government cuts money to the provinces it puts us in a bind."

Or take the case of New Brunswick's finance minister, and I quote:

> Federal funding is clearly on the decline and every indication is it's going to continue in that direction. We're having considerable difficulty continuing to live up to the standards required under the Canada Health Act.

Mr. Speaker, Prince Edward Island and Newfoundland already spend 11 per cent of their Gross Domestic Product on health care and higher education, even when receiving equalization payments. This compares to six per cent for Ontario, a have province. How can these have-not provinces be expected to find more money to make up for federal government lapses, I ask?

Without enough money, how can the Canada Health Act be maintained?

In the last federal budget, the government promised to introduce legislation to protect national standards. I thought: well, at least the government is thinking of protecting medicare. In keeping its promise, the government has introduced Bill C-20. Now this is a hollow promise because why should we believe that Bill C-20 will protect medicare? I tell you, when you look at Bill C-20 you will see and recognize the application of financial penalties under the Canada Health Act, to other federal payments to provinces in the event of a breach by a province of the national health standards set out in the Canada Health Act. What it is telling us is that it will even penalize other programs. It will penalize such programs as the equalization payments, territorial financing, grants in lieu of taxes, public utilities income tax transfers, statutory subsidies, the Canada Assistance Plan, the Crop Insurance contributions, the miscellaneous Health and Welfare transfers, the Young Offenders Services, Justice transfers and transportation transfers.

Mr. Speaker, at least over a dozen areas will be even more adversely affected with this Bill C-20. Who really believes the government anymore? They are just buying time. They are cutting away at our social safety net, piece by piece, at their leisure. If the government truly believes in health care, truly believes in protecting medicare, we already have the leverage in the Canada Health Act of today. All it has to do is provide that leverage, that financial contribution that ought to be adequate for its needs. That would be the guideline that ought to be the criterion that Canadians will accept.

• (1340)

Medicare is under the knife and so too is funding for education. The Canada Assistance Plan, unemployment insurance benefits and tax points in return for cash transfers are of little help to the have-not provinces.

In the remaining time I would like to indicate that every day our health care is being whittled away and, to believe the words of the government, "is a luxury" I and other Canadians can afford. Trust is a dear commodity these days, especially trust in light of the government's past actions.

I am an opposition member. This kind of distrust of the government perhaps is expected of me. But let me say that because we are in opposition does not mean that we are opposing this only because we are in opposition. We are opposing this bill because we are reflecting the sentiments of Canadians, as expressed by the National Council on Welfare in its recent publication *Danger Looming*. Because of time, I cannot quote at length, but the National Council on Welfare is truly concerned.

Cuts are not only hurting medicare. They are directly affecting our children. The situation is so bad that last week, while participating in the largest day care conference in Canada, the Canadian Day Care Advocacy Association issued a press release indicating that it calls on the federal government to remove the cap on the Canadian Assistance Program.

In conclusion, I would like to say that Bill C-20 must be defeated. The government must negotiate with the provinces and restore adequate funding for medicare. The government already has the leverage to protect the Canada Health Act. Our medicare system has been enshrined as a Canadian institution to guarantee that all Canadians, irrespective of income, and particularly the poor, have access to health services. It must protect Canadians when they become ill from becoming poor or poorer.

I submit that these are difficult times in our country. The forces of disunity are all around us. Let medicare be the national glue that maintains us as Canadians from coast to coast to coast.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great care and attention to my hon. friend from Winnipeg North. I have a question for him.

Where can I get one of these wonderful credit cards that the Liberals have, where you can spend and spend and spend and the interest accumulates and the interest accumulates, but you never have to pay the bill?

My hon. friend talks about scare tactics with respect to medicare. I remember 1988, I remember the scare tactics that terrorized senior citizens in my area, about how medicare was going to be destroyed by the free trade agreement. Now what is happening? The Americans are coming up here to study our medicare system because it is so good. Why is it good? It is good because we can pay for it.

This debate is about whether or not we are going to have medicare in the future. If the spending of this government had continued in the uncontrolled manner of its predecessor which left office with a $38 billion deficit, today it would be $99 billion.

My hon. friend talks about unemployment insurance. He decries the increase in unemployment insurance. My understanding of an insurance program is that the premiums are supposed to pay for the program, so that if the pay-out goes up, so do the premiums. In the case of this one there is no question. With Bill C-21, it was the intent of the government to set the premium for three years, but we have had a recession in this country. We all know we have had a recession in this country that has been milder than it would have been had it not been for the measures implemented by this government.

The fact of the matter is the government has a responsibility to manage the UI account. If there had been no change in those premiums, we would be looking at a $6 billion deficit in unemployment insurance by the end of 1992. That is unacceptable. That would be irresponsible on the part of the government. Even with an increase to $280 we are going to be looking at a $500 million deficit which will be made up by the government, as the government committed itself to doing when it introduced Bill C-21 a year or so ago. The truth of the matter is that the rate increase will coincide with the recovery so that the impact will not be as great as my hon. friend suggests.

Does my hon. friend not think it incumbent upon government to spend within its resources or does he believe the way to prosperity in the future is to allow deficits to accumulate, accumulate, accumulate?

Mr. Pagtakhan: Mr. Speaker, I am delighted to respond to those comments.

Do we believe that we have to continue to spend endlessly? No. Do we believe that we should spend efficiently for the health care system? I said yes. The premise to the question that he makes is expenditure for medicare. That is the topic before us.

Let me go to his question on the unemployment insurance for a moment. Perhaps the member was not listening quite carefully to what I said on that point. The former finance minister Mr. Wilson, indicated in 1989 with the support of the government and Senate in 1990, and I quote again:"The government will continue to contribute to the financing of the program in difficult times when it is inappropriate to raise premiums and prudent to allow deficits to build in the unemployment account." Mr. Wilson said again in 1990 through Senator Simard: "Money will be made available to supplement the unemployment insurance account so that the premiums paid by the employers and the employees are not unduly high."

The former finance minister himself recognized that fact. This member refuses to recognize the proclamation of his own former finance minister.

I am really at a loss as to the logic of this government.

I believe premiums would increase if there were a necessity for the Unemployment insurance program benefits to increase, but what is lacking, and he fails to

recognize this, is the support from government. The unemployment insurance program is not an ordinary, private insurance program in the country, it is a government program administered by the government and the government must continue to be responsible and play its role if it is going to put its money where its mouth is.

We care about the deficit, and of course we are worried about the deficit, but we are as worried if not more worried about the deficit of lives as a consequence of the dismantling of our medicare system.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I listened with interest to the hon. member from Winnipeg North.

Mr. Horner: Pretty tough to listen to was it not?

Ms. Callbeck: No, I think it was an excellent speech. I think he had a lot of good comments. It is too bad that the members on the other side of the House would not put some of them into effect.

It is certainly true what he says about the federal government just trying to pass on part of the debt that it has created.

Now the hon. member discussed how he sees the reduction in transfer payments will affect the health system. I wonder if he would take a few minutes and briefly outline how he sees the reduction in these payments affecting the education system. I know in my own province of Prince Edward Island that students now are or will be faced next year with tuition increases of 15 per cent. The student loan programs have not increased since 1984. There is now a 3 per cent fee on student loans, plus the students are feeling the effects of the GST. They even have to pay the GST on books.

I know that in my riding office I have many students coming and looking for summer jobs, jobs they cannot get because of policies that this government has followed which have created a recession in this country.

I would like to hear the hon. member give his thoughts as to how he sees our education system being affected.

• (1350)

Mr. Pagtakhan: Mr. Speaker, I thank my hon. colleague for her excellent question. To indicate for the record before I go to her question, the western provinces alone stands to suffer $8.5 billion over the next three years as a consequence of cuts in transfer payments.

Before I touch on the matter of education I should say I was prefacing my earlier comment on the physical and mental health of Canadians that stand to suffer as a consequence of cuts to health care funding. My colleague has identified a health equally important and that is the educational health of Canadians. No doubt in Manitoba alone tuition fees have been increased as a consequence. Scholarship programs have become fewer and universities are truly under the crunch as a consequence of cuts to transfer payments.

The end result will be the lack of necessary economic provisions for the youth of our country. If we are to be truly competitive, as has been indicated in an excellent speech entitled "Do Canadians Really Want to Compete?", we have to be competitive. To cut transfer payments at this time and reduce necessary funding for education there is no doubt that the youth of our country, the strength of the future, the leaders of the future, will stand to suffer.

I beg of this government for that additional reason to withdraw this Bill C–20.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I am grateful for the opportunity to rise today and participate in the debate on Bill C–20, the act which will among other things freeze the per capita Established Programs Financing transfers, or EPF as it is known, and cut the Canada Assistance Plan, known as CAP, to the richer provinces thereby effectively crippling and possibly destroying our high standards of the education and medicare systems. At the very time when our neighbour is looking at our excellent medicare system and wishing to adopt it, this government wants to destroy it.

It is both my duty and privilege to reflect the views of my constituents in Parkdale—High Park and bring them to the floor of this House. They have elected me to express concerns on federal matters and I would like to begin by answering a question posed by one of my constituents. He asked me: "Jesse, don't you ever get frustrated in the House of Commons knowing that no matter what you say the government will bring in all its members and push through whatever legislation it wants to push through?"

He went on to remind me that there had been debate on the free trade agreement but all attempts by us to amend the bill were blocked. He reminded me that Canadians did not want the GST, but despite the debate in this House and hearings right across Canada, despite the thousands and thousands of petitions tabled in this House and in the other place, and despite the fact that many senators were listening and were ready to block the GST, this government appointed eight new senators and the will of the government over-rode the will of the people.

People in the Soviet Union and eastern Europe have been fighting that for 50 years, and what are we doing? We are going back to what the Soviet Union and the east European countries are throwing out in their political system.

Essentially my constituent was asking me why I just did not give up and let the government run roughshod over any opposition. He implied that Canada had a worse dictatorship than the one he left behind in eastern Europe. He thought it was worse because in eastern Europe under communism at least the people knew they had no hope of changing the minds of their leaders. He came to Canada thinking that the will of the people would be expressed by our parliamentary democracy and had found that it was not always so.

If the new Minister of Finance, a parliamentarian who has shown over the years he takes democracy seriously—I got to know him when we worked together on the transport committee and that is why I say that with all sincerity—takes a good look at this legislation which was drafted by the former minister and if he takes the time to listen to what we on this side of the House bring to this debate, he will do what is best for the majority of Canadians. He will do the honourable thing and withdraw Bill C-20.

There is still time to restore the fate of my constituent in our democracy. There is still time to ensure that high standards in health services and education which Canadians currently enjoy will be maintained.

This bill will reduce the amount of cash transfers to the provinces for post-secondary education and health. If the reductions continue as this government proposes, according to a statement issued by the National Council of Welfare: "Federal cash payments to the provinces for medicare and higher education will end by 1997."

It also feels this is an estimate based on the best case scenario if the recession comes to an end soon. How can Canadians accept this? Our medicare and education systems are the envy of the world. Our standards of equality of service for all Canadians guarantee that a child born into poverty has the same right to medical care and education as a child born into wealth.

It means that every Canadian has the opportunity to live a healthy life and get a level of education which will enable them to have a good job and a good standard of living.

By reducing the transfer payments, this government is guaranteeing that children in the less affluent provinces will be stuck in a cycle of poverty. Their inability to afford an education will mean they get low-paying jobs or go on welfare. The reduction of federal money for medicare will mean the individual provinces control the health system.

They will inevitably lead to variations in the quality of service available to Canadians. Again, to quote the National Council of Welfare: "We could wind up with 12 vastly different provincial and territorial medicare systems." People in the poorer provinces would have to make do with health care services which are inferior to the services enjoyed by Canadians who happen to live in richer provinces.

Will this mean extra billing and user fees? I think it will. Will it mean that you better not have a premature baby in the maritimes because the incubators are not there? If you have a heart attack in Toronto, will there be a bed for you or not?

An hon. member: Scare tactics.

Mr. Flis: The hon. member says scare tactics. A friend of mine is now waiting for a bed in Toronto for a heart by-pass. If he does not get one soon, he will have to be flown to Saskatchewan and if he does not get an operation there, he will have to be flown to the United States, and that hon. member says: "Scare tactics."

Will Canadians in the north lose their airlifts to large hospitals? This could mean a lot of changes, but the change I am most afraid of is cash and carry medical care.

Canadians who have a post-secondary education and a job will be able to afford medical care. Canadians with grade 12 education or lower and the low paying jobs will not. Cash and carry medical care is not acceptable. I do not want to have to show my credit card before I can get into the emergency unit at St. Joseph's Health Centre in my constituency which is one of the best health care centres probably in the world, but it will not be if this government puts through this bill, Bill C-20.

I do not want to find that one of my constituents is denied medical attention because he or she is poor. I have many of these lining up in the food banks which are getting longer under this government. I want them to have first-rate health care when they need it.

Post-secondary education for the rich and grade 12 education for the poor is not acceptable. Education is an investment in our future, but tuition costs are so high already that it is a struggle for many families to send their sons and daughters to university and community college.

How will they be able to afford a higher education if the federal government cuts funding and tuition skyrockets? They will not. It is plain and simple.

Mr. Speaker, I know my time is up. I would just like to end by appealing to the government, please withdraw Bill C-20.

[*Translation*]

Mr. Speaker: It being two o'clock, the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

RAYMOND BISSON

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, last week the many chiefs of Canada chose their new national chief, Mr. Ovide Mercredi. We wish him the very best.

Yesterday, another important election was held.

[*Translation*]

The *Fédération des communautés francophones et acadiennes du Canada*, formely known as the FFHQ, elected Mr. Raymond Bisson as its new president. Mr. Bisson, the current president of the *Société franco-manitobaine*, is becoming the leader of some one million francophones outside Quebec. He works really hard for francophones and is their best advocate, while recognizing Canada's other realities: the majority, the native people and Canadians of other ethnic backgrounds or origins.

I am convinced that Mr. Bisson will do a lot for the development of the French-speaking communities, while at the same time respecting the others. We wish him every success.

* * *

PORK PRODUCERS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, Canada has just won a major trade victory regarding pork exports to the United States. For the first time since the Free Trade Agreement was implemented, in January 1989, Canada has won over the US in a final round concerning one of the trade areas subject to the most heated debate between the two countries, namely shipments of fresh chilled and frozen pork.

This decision by an Extraordinary challenge committee will have positive effects for Canadian pork producers. Indeed, since the countervailing duty levy order will be repealed and the collection of duties stopped, approximately $20 million will be reimbursed to Canadian pork producers. This ruling by the committee reaffirms the benefits of the review system by a FTA binational panel on disputes regarding anti-dumpiong and countervailling duties. A great victory indeed Mr. Speaker, for the 4,300 Quebec pork producers and slaughterhouses, many of which reside in my riding.

* * *

[*English*]

NATIONAL HEALTH AND WELFARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, can Canadians have any confidence in the ability of health and welfare to regulate medical devices effectively?

On the evidence, the answer is an empathic "no". An extraordinary change to health and welfare regulations in 1989 concerning contraceptive sponges has meant that

spermicidal products can be sold on the Canadian market without any testing or checks to ensure safety or effectiveness.

We now learn that claims that these contraceptives are 90 per cent effective are far closer to 70 per cent, or worse than any other method of birth control.

Like the Meme breast implant, these faulty products are now on the market because health and welfare overruled its own competent scientists.

Now Canada, according to the World Health Organization, may be the only developed country which does not test or review spermicidal products.

Surely it is time for an immediately public enquiry into licensing and marketing of medical devices in Canada. Anything less betrays the trust that Canadians, particularly women, must have in medical products in the marketplace.

* * *

CYPRUS

Mr. Gus Mitges (Bruce—Grey): Mr. Speaker, resolution 541 of the Security Council of the United Nations condemns the division of the island of Cyprus and the formation of a Turkish Cypriot state. The de-occupation of the northern part of Cyprus and the withdrawal of Turkish troops must be respected and enforced.

Turkey, which received strong international and economic support during the Persian Gulf crisis, should demonstrate its good will by moving toward the termination of the Cyprus problem.

I believe the time has come for the embarkation of a sincere and serious dialogue among Greece, Turkey and Cyprus so as to build a new climate of trust and understanding which would lead to concrete and lasting results.

The war in the gulf has shown that respect by all countries for the basic principles of international law and avoidance of the rise of violence in international relations are of vital importance for security in the world.

NOVA SCOTIA CLAM COMPANY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, six weeks ago the Nova Scotia Clam Company closed its doors and 250 people were thrown out of work.

Yesterday I attended a rally on their behalf at the clam plant site at Auld's Cove. Their message to the company, to the unions and to the federal and provincial governments was simple: "We want our jobs back now".

I hope this call will be heard. We cannot afford to lose 250 more jobs in Highlands—Canso and this company, with the proper support, has a bright future in Auld's Cove.

There is in Japan a promising new export market for its product. The hard lessons of developing this market have been learned. Most important, the workers are there. They are hard working. They are responsible and they take pride in their work. This is not the time for the company or the government to abandon them.

Two things are needed. One is a financial package that will enable the company to continue. This, I understand, is within reach. The other is assured access to the resource to process clams in Auld's Cove.

This is the minister of fisheries' job. He must not dissipate this access and these jobs by approving new licences to process these clams elsewhere, to flood the Japanese market, to foster destructive competition and to snuff out this young enterprise.

* * *

ISMAILI RUN FOR CHARITY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, yesterday I had the pleasure to attend the ceremonies for the Seventh Annual Ismaili 10K Run for Charity. Over 1,300 runners participated.

I want to thank the Ismaili youth who has been planning this event for over six months and the leadership shown by President Nizar Kanji and many other community leaders, many of whom are from Markham.

The net proceeds of the run, which should exceed $50,000, will go to the North York General Hospital's Capital Campaign. The proceeds from previous runs have gone to such worthy causes as the Cancer Society, the Alzheimer Society, and the Heart and Stroke Foundation.

A special thanks to Apotex Inc., the Canadian owned pharmaceutical company that made a contribution of $20,000.

As I said in my remarks at the event, the Ismaili Muslim community deserves the congratulations of all Canadians for its Outreach programs to all communities. Its sincere caring and sharing is a model for all Canadians to emulate.

* * *

HUMAN RIGHTS ACT

Mr. John Brewin (Victoria): Mr. Speaker, in 1986, five years ago, a special all-party committee unanimously urged the federal government to amend the Canadian Human Rights Act to prohibit discrimination based on sexual orientation, discrimination based on whether a person was a lesbian or a gay man.

The amendment was supported by all parties and the government at the time. This government said that it would introduce such an amendment to the Human Rights Act. The government has shamefully refused to act to this day.

The amendment goes beyond the charter and would guarantee protection against discrimination in the federal private sector and in the federal public sector. There are over 1.2 million Canadians in that group who would be covered by the amendment. There are 100,000 gay men and women in Canada. This is an important protection for those men and women which all parties have agreed they are entitled to and need. The time has come for this government to act.

* * *

CONSERVATIVE PARTY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, today's Montreal *Gazette* publishes a story headlined "Backbench Upheaval—Tory MPs speaking out against the Government".

The story mentions me and several of my caucus colleagues as if we were some kind of rebels. It also quotes a member of the opposition saying he believes Tory caucus members such as myself must have been hauled over the carpet by the political gods of the Conservative Party.

I have news for the opposition. Freedom and independence for MPs is a goal of this government. It was mentioned in the throne speech, and members of the caucus have taken that as a further encouragement to do exactly what those people who voted for us want us to do.

Canadians want MPs who are neither sheep nor cheerleaders. They do not want blind partisanship. They want instead common sense on the floor of the House of Commons. There is no revolt; just a bunch of members of Parliament over here doing their job.

* * *

NATIONAL UNITY

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, over the past weekend 135 residents of the province of Quebec were hosted by the people of Gananoque, a town on the shores of the St. Lawrence River here in eastern Ontario.

The weekend was a good will gesture sponsored by the common people of Gananoque and was dubbed "Between Neighbours". The people of Gananoque who initiated this project have every reason to feel very proud today for proving to Canadians everywhere that the best way to promote unity and understanding among Canadians is by reaching out to each other.

• (1410)

Congratulations, Gananoque, and may the good will which you project between neighbours become a model for all Canadians to emulate throughout the country.

Yes, Canadians do want to remain united, and the best proof we have is seen in projects such as the one demonstrated by the people of Gananoque and their 135 visitors from the province of Quebec over the past weekend.

* * *

[*Translation*]

GOVERNEMENT SPENDING

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, the people of Abitibi and I wish to congratulate and thank you for your courageous decision to cancel the annual reception at your residence in Kingsmere, which costs approximately $15,000.

This goes to show that our government means what it says, now that we are in a recession. In fact, I urge all federal departments, the Governor General of Canada and the Senate to charge a "user fee" for this summer's festivities. Another alternative would be to immediately cancel summer parties held at taxpayers' expense.

Mr. Speaker, I wish to thank you on behalf of all Canadians.

* * *

[*English*]

NATIONAL DEFENCE

Mrs. Coline Campbell (South West Nova): Mr. Speaker, Canadians are hearing speculation that the Department of National Defence may be returning to a tri-service set-up with three separate basic training facilities.

CFB Cornwallis presently trains recruits for all branches of the military. This avoids the cost of duplication that would arise if each branch had to carry out its own basic training.

Canada has today two streams for new basic recruit training: English at Cornwallis and French at St. Jean, Quebec.

In 1990, Canada graduated only 5,600 new recruits—one-third from St. Jean and two-thirds from Cornwallis—at a cost of $3,200 per trainee at Cornwallis and $5,300 per graduate at St. Jean.

If the cabinet is serious about saving money, it had better look at the $12.8 billion rather than look at the basic training which barely trains enough recruits in Canada.

* * *

CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, a significant motivator in cross-border shopping is gasoline. High taxes on gasoline are having a deleterious effect and are driving consumers southward.

Our retailers in border communities sell gasoline at 56 per cent more per litre than their American counterparts. Approximately 76 per cent of the price difference is attributed to the higher level of taxation imposed by our federal and provincial governments.

A major survey done by Ernst and Young found that 72 per cent of those surveyed had gone shopping in the U.S. in the last 30 days. Gasoline accounted for 36 per cent of the total dollars spent by customers. Of those, 68 per cent said that if gas prices were comparable they would not shop in the U.S.

The fact of the matter is that lower gas prices are luring Canadian consumers south and once there they are buying other retail goods.

In order for us to remain competitive, our federal and provincial governments must take a serious look at taxation of gasoline. A graduated tax approach, an across-the-board tax reduction possibly financed by GST revenue from the underground economy or some other approach all should be seriously considered to help address the whole cross-border shopping issue.

* * *

HONG KONG VETERANS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, the belated Japanese apology to the Canadian survivors of Japanese prisoner of war camps is not enough.

No group of Canadian POWs in any conflict involving Canada has endured more pain and brutality in the most hideous and unacceptable circumstances. This four-year legacy of cruel and harsh treatment continues to haunt many and their families today.

The Hong Kong Veterans Association has been pursuing a claim for just and reasonable compensation before the United Nations Human Rights Commission in Geneva for the slave labour they performed at gun-point.

The Prime Minister has told them this is a futile claim and that they should seek redress from their own government, and he is right. However, he is dead wrong when he says there is no money for them.

Their circumstances are special and justify compensation. They and their families should get it now from their own country for which they suffered so much but served so bravely.

KOREAN WAR VETERANS

Mr. Doug Fee (Red Deer): Mr. Speaker, this weekend I was questioned by individuals in two branches of the Royal Canadian Legion wanting to know if and when Canada was going to recognize our Korean war veterans.

I am sure that these two veterans and all members of this House are pleased with today's announcement that a Canadian volunteer service medal will be presented to our veterans of the Korean war.

Today's announcement was timely as these same veterans will be observing Korea Day at the National War Memorial and cenotaphs across the country on Sunday.

We can look with pride at the Canadians who volunteered to serve with the United Nations, and we must never forget the supreme sacrifice made by the 516 Canadians who died in defence of South Korea.

For 40 years our veterans wanted their volunteer service recognized by their own country. Today's announcement is a well deserved and overdue recognition.

* * *

CHILD CARE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, this government found money for a war but nothing for Canadian children.

In 1984 the Prime Minister promised a national child care program as a top priority. In 1986 a child care task force travelled Canada. We were told repeatedly that over a million pre-school children urgently needed licensed care and many were at risk.

The government responded with a token $200 for mothers at home, nothing for day care centres.

In 1990 the Prime Minister chaired a world summit on children urging nations to give every child a better future. Then he came home and cut child care funds by limiting the Canada Assistance Plan.

Today, another generation of one million kids needs child care—87 per cent of these are in unlicensed arrangements or have no child care at all while working mothers are frantic.

When will this government learn, as most European countries have, that child care is an essential service and a social investment?

Let's turf the Tories out and get on with it.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Acting Prime Minister.

During his trip to Germany the Prime Minister said that he was planning to cut back our forces in Europe, but he would not say by how much.

I would have thought that the proper way to do this would be to withdraw the old policy first and then announce a new one, not to do it bit by bit before we know where we stand.

I want to ask the Deputy Prime Minister why the policy was announced in Europe to withdraw from there when the government is not ready to tell Canadians what the new defence policy is.

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, first of all, I think we should be very clear about the fact that Canada believes in NATO, that it participates in NATO and that it believes its participation in NATO plays a key role in its defence policy.

Second, the geostrategic situation in Europe has been profoundly changed by the dismantling of the Warsaw Pact and the reunification of the two Germany's. As a result, all our allies, including NATO, are reviewing their defence policy in Europe. The government already announced it was withdrawing 1,400 members of the Canadian forces in its 1990 budget. This exercise is now in progress. Furthermore, the government, like practically all its allies, is reviewing its defence policy, and once it has been discussed and accepted by cabinet, it will be made public. The government, the Minister of Defence and several other ministers have made it clear within the last few weeks that Canada will reduce its presence in Europe.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, agree it is time for a new defence policy, because the 1987 policy was based on the Cold War concept, and at the time, we already knew the Cold War was over. It makes perfectly good sense to have another policy. However, we would like to hear from the minister why the government announced a defence policy in Europe without having a new one in Canada, without asking Canadians what they think about the matter. And I would like to ask the minister if and when Canadians will be consulted, before these policies are announced piecemeal as was the case on the weekend.

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, I realize the Leader of the Opposition should be informed of a number of situations in this country, but I may remind him that I had to answer the same question several times since the beginning of May. I have repeatedly made it clear, as I did in papers released to the public, that Canada would reduce its presence in Europe while remaining a participant in NATO strategy. This is not new. Anyone who wanted to know about these issues was in a position to do so. On the other hand, since Canada is part of an alliance, it is advisable for us to consult our principal allies before defining, in concrete and practical terms, the position of our allies for submission to Cabinet, Mr. Speaker.

• (1420)

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my next question is directed to General Masse— I beg your pardon, to the Minister of National Defence and Marshal Foch—

My question for the Minister of National Defence is simply this: In statements made on the weekend, the Prime Minister indicated that the government intended to close a number of military bases in Canada. I want to the ask the minister whether this time the government will take certain precautions and, if it has to close military bases in Canada, it will ensure it has economic strategies to cope with the problems the communities in question will be faced with once these closings have been announced, and that they will not wait until the deed is done to try and find economic remedies.

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, I can inform the Captain of the Liberal Party that that is exactly what I intend to do.

[*English*]

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my question is for the Deputy Prime Minister.

The Prime Minister made a major policy statement on defence regarding our military posture in NATO last Friday. He made the statement after consultation and after having been, I think the term he used was swayed and impressed by the German chancellor.

After three years without a defence policy, can the Deputy Prime Minister tell this House when he will have public consultations and be swayed and impressed with Canadians?

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, as soon as discussions with my colleagues are finished and a decision has been made, it will be made public.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, my supplementary is directed to the Minister of National Defence.

Can the minister give us the assurance that before announcing that certain military bases will be closed, economic impact studies will be conducted, their findings published and viable economic alternatives submitted?

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, Canadian bases and their infrastructure must first of all meet the requirements of the Canadian Forces as set forth in a defence policy. That is the primary objective of a base.

Obviously, these bases also have an economic impact on the region, but their primary objective is to serve the Canadian Forces.

Third, it is no secret that there are too many bases in Canada, considering the requirements of our Canadian Forces. Obviously, their number will be reduced, Mr. Speaker.

[*English*]

CONSTITUTIONAL AFFAIRS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

When the Spicer commission was first struck, Canadians were told that it was a commission which would listen to them and would report back directly to them, not a reported vetted by the government. Yet today we understand, it is reported, that members of the government have received portions or all of that report before the report has been given to Canadians.

Will the minister responsible immediately table any portions of that report that his government has, or all of that report if the government has it, so that we can keep the faith with Canadians and say that the report of the Spicer commission will go to Canadians first and not vetted by the government?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I am pleased to give that assurance. I have not seen the report or any portions of it. Certainly I have no intention to vet it.

I think that this kind of public participation by Canadians is exactly the kind of innovation that we need to achieve, working in close concert with the parliamentary system that has served this country so well for so long.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question.

I would understand from that that the minister says his government has not seen any of the copies of that report. I would again ask him, if that is not the case, if he would table those reports that he has seen.

Today, on another matter, the National Action Committee on the Status of Women, along with the vast majority of Canadians, presented the idea once again of having a more open constitutional process. Yet we see the government again creating a parliamentary committee with 10 unelected senators and the same old style that has gone on before.

Will the minister listen to groups like the National Action Committee and many others across this country and Canadians who are saying that this time there must be a more open constitutional process? Will he withdraw his proposal and bring back a proposal that includes Canadians?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): No, Mr. Speaker, I do not intend to withdraw our proposal. I have seen the proposal of the National Action Committee. I was struck that what it was talking about was a constituent assembly for the rest of Canada, something which by definition Quebec would be excluded from.

I could not help but notice the article in *The Globe and Mail* of Saturday by Lysiane Gagnon reporting on the hon. member's convention in Halifax. It says:

> The NDP held a convention and Quebec didn't come.

I do not want to be in a situation where this country holds a constitutional discussion and Quebec does not come.

Ms. McLaughlin: Mr. Speaker, the minister knows full well that there can be representatives from Quebec. There will be representatives on his parliamentary committee, I assume. Those same members could also be on a constituent assembly.

* * *

[*Translation*]

VIOLENCE AGAINST WOMEN

Hon. Andrey McLaughlin (Yukon): I would like to touch on another subject, Mr. Speaker. The government kept the door shut this morning and refused to meet with the National Action Committee on the Status of Women. Yet, 52 percent of the population, women, live in fear. Violence against women is still rampant. What does the government intend to do to make this violence socially unacceptable and promote zero tolerance, as we say? Will this government finally realize that what is required is a combination of shelters, public education programs and anti-racist training throughout the whole justice system?

[*English*]

Hon. Mary Collins (Associate Minister of National Defence and Minister responsible for the Status of Women): Mr. Speaker, I can assure the hon. member that the issue of violence against women is uppermost on the agenda of this government, including many ministers, many whom you saw rising. It is not only the minister of health and welfare who announced the $136 million family balance initiative. It was my colleagues the Secretary of State, the Solicitor General and the Minister of Justice, all of whom are involved in bringing forward initiatives including of course the most impor-

tant one which will be the national inquiry announced in the Speech from the Throne.

I have been discussing it with my colleagues on both sides of the House. We really hope it will help us as a country come to grips with this issue and find real solutions and plans of action which will involve women and the provinces and ourselves to finally solve this problem for all of Canada.

* * *

[*Translation*]

GRANDE-BALEINE PROJECT

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the minister of the Environment. Tuesday, in this House, the minister said he was waiting to see what Quebec will decide about the Great Whale project. Quebec made its decision known the very same day: the roads and the project will be treated separately. For a year now the federal government has been making excuses and looking for reasons not to take on its responsibility. Now, it has ran out of excuses. There is no way out. My question is this: In view of Quebec's final decision, will the minister immediately set up a single comprehensive federal environmental assessment on the project as a whole, by that I mean not a split study, Mr. Speaker?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, before going any further in our approach to the environmental assessment of the Great Whale project, we will sound out all interested parties, including the Quebec government as well as the Inuit and the Cree. The hon. member should know that the Quebec decision came precisely after a meeting where Inuit, Crees and the federal and provincial governments all sat around the same table to review the approach to the environmental assessment for the Great Whale project. We said, and so did the Quebec environment minister, that we would prefer doing one single environmental assessment for the whole project. Now, it seems that they maintained their original position. We will see what approach we can take regarding this project, Mr. Speaker.

[*English*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, all of the soundings have been held. The minister's colleague, the minister of Indian affairs, expressed some puzzlement this morning as to the government's position in terms of James Bay.

• (1430)

Some weeks ago, Quebec's minister of the environment begged Ottawa to support the environmental cause. He said:

> We need the federal government to do its job. I'm puzzled about the absence of the federal government on matters of federal jurisdiction.

That was Quebec's minister of the environment. He is not the only one who is puzzled. The minister of Indian affairs is puzzled. The Canadian people are puzzled.

Will the minister state unequivocally here and now that not only in the case of James Bay but never will the government allow a major project to go ahead anywhere in the country within its jurisdiction without a full public environmental review completed before a shovel hits the ground?

Before this minister or the Prime Minister lecture the Germans about the environment, they had better make darned sure they have clean hands at home.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, the member says that some people are puzzled. I must admit that I am also puzzled by the attitude of the member for LaSalle—Émard who would want us to go in there without talking to the Government of Quebec. Only two weeks ago he was on his feet here in the House of Commons saying that this government was intruding into the provincial government's area of jurisdiction in the area of regional economic development. His party was saying that here in the House. He felt that the way of doing productive business in this country was to talk to the other level of government.

We propose to do that business in a way that respects the jurisdictions of every level of government. Our approach in this specific case of Grande-Baleine is based on our environmental concerns and on doing an environmental assessment that is comprehensive. We intend to follow that up, and the member should help us with executing that mandate.

WOMEN'S PROGRAMS

Ms. Mary Clancy (Halifax): Mr. Speaker, my question is for the President of the Treasury Board.

Will the minister stand in this House today and assure the women of Canada that there will be no further substantive cuts both to funding for women's programs and to funding for women's groups?

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, I would just like to reiterate what I told the women's groups that I met last week. There are no further funding cuts to women's programs in this country this year.

The amount, as a matter of fact, is going to rise. Every group has received, if you like, an advance payment of 25 per cent of what they had received last year. The final allocations will be made public to every group before the end of this month.

Ms. Mary Clancy (Halifax): Mr. Speaker, in light of that seemingly good news, and in light of today's emphasis on women's groups through the NAC lobby with some caucuses in this Chamber, I would like to ask the minister if he would therefore stand and make a further commitment to restore the funding to women's programs and to women's groups to its pre-1988 levels and to index such funding.

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, as I mentioned a few minutes ago, I made that commitment. I met with the president and some members of the executive of NAC last Wednesday. I met with the whole group last Friday. We talked about this.

The commitment is really simple and it can be found in a rather usual place. Look at Part III of the estimates. It is very clear. The funding is there. It will be continued, and I can say that the priorities are also listed.

The priorities are the following. We are very concerned about violence, violence toward women, family violence. We are concerned about those women who are doubly disadvantaged. Obviously some programs in that area will be enhanced. We are also very concerned about the efforts we are making and have been making to achieve over-all equality for women and full participation and access to Canadian society.

* * *

CANADA ASSISTANCE PLAN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, today women from across Canada expressed their outrage that the epidemic of violence against women continues to destroy their lives.

Government members claim to be committed to changing that. They point continually to their recent announcement of a $136 million program to fight family violence, but this announcement is merely a smoke screen for the real actions of this government.

In reality, only one-third of this money will be spent before the next election. Over the same period, programs which support women and children at risk will lose $155 million through the cap on the Canada Assistance Plan.

In the name of ending violence against women, will the Deputy Prime Minister remove the cap on the Canada Assistance Plan and spend the money for the family violence initiative program before the next election?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the announcement made by my predecessor last February about the $126 million over four years for the family violence program will be respected. There has never been a question that we will not spend that money.

At the same time, we are working on a strategy dealing with children in light of the commitment made by the Prime Minister at a convention last September. However as good managers we do not spend the money before. We spend the money after it has been decided to spend the money, not before.

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the minister of health gives us these vague kinds of responses. The fact of the matter is that according to their own figures they are cutting $155 million to families and women through the cap on the Canada Assistance Plan.

Will the minister of health stand today in the House and make a real commitment to ending violence against women in our society and announce an end to the cap on the Canada Assistance Plan?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, there is not a Canadian in this country who does not want to stop violence against women. It is not just ministers, not just members of Parliament; every Canadian wants to stop that kind of disaster against women.

It is more than saying what you want. We put in $126 million. We gave a billion dollars in transfer payments to the provinces.

As minister of health I want to continue to work with the provinces. It is what we do and will continue to do. I will meet my counterparts this week in Toronto, and we will look at the problems with the CAP.

However, I will return the question to my friend: Are you ready to help me fight against violence against women?

* * *

[*Translation*]

HOUSING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister responsible for Housing.

At the present time, 17,000 families in Toronto are on a waiting list for public housing. Refugees have also been added to this list as potential clients.

I would like to ask the Minister what he intends to do to address the housing issue in the city of Toronto?

[*English*]

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, I have a meeting scheduled with the minister of housing for the province of Ontario. My colleague opposite knows that we have only so many resources available for this, but we are prepared to make any commitment that we can to improve the lot of these people. I can assure him of our commitment to do whatever is possible under the circumstances.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in addition to the 17,000 families there are 5,000 seniors and over 2,000 people with special needs.

Does the minister think that the answer he just gave is adequate to provide a roof for this large number of people waiting in the larger metropolitan Toronto area?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, my colleague knows that since 1986 our policy has been to target resources to those most in need, and there have been considerable resources put aside in our housing policy for seniors, for those who have special needs, and we will continue to do this.

However, he knows as well that there is only so much that can be done by the federal government. We seek partnerships with public, private and other groups to assist us in this regard. We will continue to try to show leadership.

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THE ENVIRONMENT

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of the Environment, my question is for the Deputy Prime Minister?

When the green plan was announced last December, $250 million was set aside for the Department of Indian Affairs to produce a plan of action for dealing with water and sewage in Canada's poorest communities, the reserves throughout Canada.

Does the minister know that subsequently the Department of Indian Affairs has ruled that hook-ups are the responsibility of individual home dwellers?

• (1440)

In other words the poorest of Canadians, where two out of three homeowners are unemployed and where the average income is $9,000, are expected to pay $10,000 to hook up the sewage system. How does the ministry expect these people come up with the $10,000 to provide clean water and a sewage system for their homes?

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the hon. member is quite right. There was quite a substantial amount of money provided specifically for water and sewer to aboriginal peoples.

There have been ongoing discussions with those groups, and particularly in his province of Manitoba. Considering that the base budgets of Indian affairs are 60 per cent administered by the bands, those discussions are ongoing. I think it is that sort of approach that will lead to a resolution of the problem the hon. member raises.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, my supplementary question is for the same minister.

Although discussions are ongoing, the minister does not seem to realize that Indian affairs has taken what seemed to be a nice public relations scheme giving a lot of money to these communities and has carried on as under the old plan, that is to say forcing individual residents to pay for these connections.

The construction season is almost half over. I want assurances from the minister that every effort will be made to increase the construction program so that work begins this summer.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, particularly in Manitoba there have been meetings, discussions between the department and a subcommittee of the Manitoba chiefs. There is scheduled before the end of the month another meeting to discuss exactly the best way to proceed.

I like him look forward to a good resolution to the problem based on the co-operation between the government and the bands.

* * *

PS 2000

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is for the President of the Treasury Board.

The government is currently at the bargaining table with the Public Service Alliance. We know that the government has offered zero per cent in the first year and three per cent in each of the second and third years.

Is the minister aware that half the alliance members are women, most are at the lower end of the pay scale, and a freeze on wages in the first year means that these women, already living close to the poverty line, will be taking a cut in real wages? Will the minister tell us what this says about the government's commitment to pay equity?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to reassure the hon. member that pay equity stays there, I mean will be implemented. During the course of the last budget we had to make very difficult decisions in a number of fields, including freezing the wage budget which affects all public servants.

I am fully aware that this impacts particularly on employees with lower wages. Also it could in the course of the PS 2000 reform possibly be a threat to our women employees. We have given very strict instructions to our managers to be very attentive to this so that employment equity and pay equity are preserved throughout this exercise.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I hope when the minister says that "pay equity stays there", he does not mean stays there on the shelf.

The minister is expected to table PS 2000 legislation tomorrow. Will the minister assure women working in the public sector that they will not find themselves, under this legislation, faced with a strategic rewards management approach which will really mean: if the boss likes you, you will get the goodies; if he or she does not like you, look out. Will the minister assure women that will not be in his legislation.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think the progress we have made during the course of the mandate of this government speaks for itself.

I would like to remind the hon. member of the situation we were in when we came of office as far as management positions were concerned. We only had two women ambassadors; we now have 13 women ambassadors. We had seven deputy ministers; we now have 22 deputy ministers. We had 16 members of boards; we now have 31. We could go on and on.

This government is attentive. We are also the government in the area of pay equity which has set aside $76 million each year to improve on that. We have also paid, something the Liberals never did, $317 million to help improve this. These are real facts.

Oral Questions

NATURAL GAS INDUSTRY

Mr. Al Johnson (Calgary North): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

It is clear that the California Public Utilities Commission and the U.S. Senate energy committee are making a co-ordinated attack on Canada's gas industry.

Using the Dominici Wirth amendment—and there are other demands which would prevent Canadian gas producers from getting the same price in California as their American counterparts and which would extend U. S. power over Canadian pipelines—they are trying to break the sanctity of contracts and the commitments in the free trade agreement.

The Alberta government is taking steps to stop this. What is our government prepared to do?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, there are two points.

First of all, the California Public Utilities Commission has been holding hearings in an attempt to reopen contracts that exist between Alberta and California shippers and suppliers.

Alberta primarily, but western Canada has been a very good supplier of natural gas to California back to 1961. The Dominici Wirth amendment to the national energy strategy which was proposed by the Senate committee is written in such a way that it is targeted directly, we feel, to Canadian pipelines.

We have made representations directly to the U.S. government. I have made them personally to the Secretary of Energy, Admiral Watkins. Our embassy in Washington has been very fully informed and is constantly advising both the executive as well as Congress of our objections.

We feel that this is a violation not only of the contractual obligations of both parties, but is also not in the spirit of the free trade agreement.

* * *

IMMIGRATION

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, my question is for the Minister of Employment and Immigration.

Forty thousand members from the Khalsa Dabar Sikh Temple in Mississauga, Ontario have had to resort to court action in an attempt to secure for their priests the same rights that a directive from the Quebec region immigration office guarantees to all priests: specifically, that their immigration request for a credible basis refugee claim be presented without an interview or hearing.

Since the minister, in referring to those priests, said "They are at the end of the process; they should just get out", will he tell this House if he read their files before he decided to interfere in an ongoing case?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, as the hon. member pointed out, this case is before the courts and it would be improper for me to comment on it at this stage.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, he has already commented on it.

The correspondence between the Ontario region office and the lawyers for the priests indicate that neither the national headquarters nor the regional headquarters had an awareness of the files before the minister decided to make his statements public. Moreover, those priests have at their disposal at least 12 more administrative procedures before refugee hearings.

How can this minister now expect that any of them will get a fair hearing anywhere in Canada or elsewhere when he makes judicial pronouncements without jurisdiction and without ever having seen the files?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, this is the member who held a press conference. I noted in his press conference on that very topic before the action was started six most glaring misstatements which he made to the people of the community in question.

All I can tell the hon. member is that the cases he is referring to were refugee applicants. We have a refugee determination system that is probably the most generous in the world. That process is one at arm's length from the minister and is following its proper course.

If he wants me to interfere politically in a system that is at arm's length from the minister, my answer is: Thanks, but no thanks.

TAXATION

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, my question is for the Minister of Finance and is with regard to a meeting that he had last week with his provincial counterparts in Prince Edward Island.

At that meeting they brought in a process aimed at giving the provinces the power to set their own income tax levels independently of Ottawa.

My question is in relation to this.

• (1450)

The minister has stated that he does not have a problem with a system that maintains a degree of simplicity and does not complicate the present system, but he has also reportedly said that if this new system or new method, if we do move to it, is just a question of optics where it creates the impression that provinces have greater tax autonomy.

Are we looking at real change for the right reasons, or are we looking at change merely for the sake of change which will or could add some confusion to the already confusing mess the taxpayer presently faces?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there was no such power granted as the hon. member suggests. What we did was decide to deal with this issue through the release of a discussion paper.

As the hon. member knows, since 1962 there have been federal-provincial tax agreements which have provided for a great degree of harmonization and co-ordination. It is clearly the objective of both levels of government to ensure that there will be that continuance of harmonization and co-ordination.

The provinces want to have more flexibility in terms of personal income tax. It is for that reason they have asked the federal government to engage in discussions about new tax agreements that could be in place consistent with the policy of co-ordination, harmonization, transparency and simplicity.

It is with that spirit that we will engage in a public dialogue to see whether in fact we can improve the system.

* * *

[*Translation*]

LINGUISTIC MINORITIES

Mr. Ronald J. Duhamel (Saint-Boniface): Mr. Speaker, my question is for the Deputy Prime Minister.

Some organisations, like the *Fédération des communautés francophones et acadiennes du Canada*, formerly known as FFHQ, have serious concerns about changes that could be made to official languages.

Could the Deputy Prime Minister give a commitment to this House and to the Canadian people that no constitutional changes will be made by this government which might compromise the language rights of our minorities?

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, I think I can answer by outlining what this government and our Prime Minister, Mr. Mulroney, have done over the years to protect language rights. We have promoted the linguistic duality of this country by consistently standing for the rights of linguistic minorities outside and inside Quebec.

What we have done since 1984, is a good indication of our position in the future.

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary question is for the same minister.

In view of the acrimony, the bitterness, the conflict, and in fact the discontent caused by legislation such as Bill 178, Quebec's sign law, as well as Saskatchewan's and Alberta's legislative decisions which reduce the status of French in their respective provinces, will the minister confirm that his government has no intentions of making provinces or territories responsible for minority language policy or its implementation?

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, I would like to repeat for the hon. member in English what I just said in French.

We have always been very staunch defenders of minority language rights: French outside Quebec and

English in Quebec. That is a commitment we took a long time ago. We have acted on that commitment. It is a commitment that we maintain and it is a commitment that we will respect in years to come.

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HEALTH CARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Deputy Prime Minister.

At this morning's meeting of the National Action Committee on the Status of Women concerns were expressed at the erosion of our national health care system, yet last week the Group of 22 asked for the abandonment of national health care.

Further, the minister of health said in response to a question that in regard to medicare Quebec will by 1996 "be able to manage as it pleases" .

Can the Deputy Prime Minister tell the House whether his government supports the position of the Group of 22 and the minister of health, or will he assure this House that there will continue to be a nationally financed medicare system with national standards?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I have answered outside the House questions with regard to the very useful deliberations by the Group of 22, prominent Canadians such as Allan Blakeney and others among them.

I think it would be premature for any of us now to comment in detail upon the particular proposals that were brought forward by this wide ranging group of constitutional experts.

I think it is entirely helpful that serious, concerned, informed Canadians representing a broad cross-section of youths are turning their attention to ways in which we can reform this federation. There will be opportunities for members of this House and of the other place to do that more actively and consistently in the fall if the House agrees to establish a joint committee of this House and the other place, which is the means by which we have an opportunity to respect the parliamentary traditions of the country in a way that would allow the province of Quebec to take part in those discussions.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a supplementary question for the minister of health. I am not surprised after that response that the women of Canada are worried out their health care system.

Will the minister of health assure us that at the federal-provincial meeting of health ministers on Wednesday in Toronto he will make no federal constitutional proposals that health become exclusive provincial responsibility? Will he ensure the ministers of health that the federal government will restore federal cash payments so that we can once again have a medicare system from coast to coast to coast that meets national standards?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I am pleased that my friend asked a question about the health care system in Canada. He knows very well that even the Americans consider that we have the best system in the world. They have not said that we had in 1984; they say we have the best system of the world today. The reason why is because this government has provided the necessary resources to the provinces to manage that health care system.

What we will do, with the ministers of health, is find a way within the periods where we are in terms of restriction in resources to give the best services to Canadian men but particularly women, children, senior citizens, and so on.

I am proud to say that what this government has done for this health care system has been done so well that even all countries in the world come to Canada to see the way we work.

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CORRECTIONAL SERVICE CANADA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is for the Solicitor General.

For several months now our Correctional Service prison guards across the country have been threatening to strike this summer over low wages, reduced staff levels and insufficient training.

Can the minister tell this House what his department intends to do if prison guards do strike? How will he ensure that public safety is not jeopardized and when will he begin to address these concerns of prison staff?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, as the House knows, the negotiations are in the hands of the President of the Treasury Board. I have every confidence in Correctional Service Canada that the employees will act in an appropriate manner.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, the government can afford to spend $3 million on new uniforms so that guards will not look as institutional to prisoners, but the government does not seem to want to spend the money to address valid concerns of prison guards. I ask the minister how and, just as important, when will he address the concerns of Correctional Service employees. Will he abstain from brinksmanship and will he commit to address their wages, increase staff levels and improve training programs so that CSC can fulfil better its own mandate?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I am pleased that my hon. friend raised the issue of uniforms. First, they are cheaper than the old ones. Second, they are being phased in and, third, they were agreed upon in consultation with the unions.

* * *

KOREAN WAR VETERANS

Mr. Doug Fee (Red Deer): Mr. Speaker, my question is for the Minister of Veterans Affairs. I am sure that all members of this House appreciated the announcement made earlier this day that Canadian veterans of the Korean war are going to be eligible to receive a Canadian Volunteer Service Medal.

The announcement, however, did not mention the veterans who are no longer with us, those who were either killed in action or have subsequently died. I would like to know from the minister if their relatives or next of kin are going to be eligible to receive the medal on behalf of the deceased and, if so, how they would go about applying for them.

Hon. Gerald S. Merrithew (Minister of Veterans Affairs): Mr. Speaker, I think it is important to note that some 26,000 Canadian men and women did volunteer to serve with the United Nations Canadian troops fighting with the United Nations in Korea some 40 years ago. I am delighted the government, with the support of almost all, in fact maybe all hon. members in this House, supported the issuance of a volunteer medal for their service there.

• (1500)

I might mention that there is a process by which deceased veterans, the next of kin of the 516 who died over there or their families, can now apply. It follows a normal order of eligibility. They can apply through a process that will be made public very shortly.

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[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Labour. For many months, I have been trying to get preventive withdrawal of pregnant workers in federally regulated businesses included in the Canada Labour Code. So far, I have received the co-operation of Conservative, Liberal and NDP members in this House, with the exception of the Bloc québécois. Could the minister tell the House today whether the government intends to take this issue seriously this year?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, first of all, I wish to thank the hon. member for Abitibi for his interest in this matter. As the hon. member is aware, the Canada Labour Code contains a number of measures to protect workers, including pregnant and nursing women. I am currently consulting with groups representing these women and with employers, and I expect that this fall I will be able to table the appropriate legislation.

* * *

[*English*]

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the attention of members the presence in the gallery of the Hon. Don McInnes, Minister of Consumer and Corporate Affairs and the Minister responsible for Housing for the Province of Nova Scotia.

Some hon. members: Hear, hear.

Routine Proceedings

POINT OF ORDER

MOTION M-330

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I rise on a point of order following debate this morning surrounding Motion No. M-330 presented by the hon. member for Skeena.

My understanding from the debate this morning is that there was a broad consensus here in the House on its content. There was also an amendment proposed by the hon. member for LaSalle—Émard, seconded by the member for Davenport, relating to this motion.

Members for Timiskaming and Surrey—White Rock—South Langley also participated in this debate, as did the member for Davenport, of course the member for LaSalle—Émard, and the member for Skeena.

After consultation, if this meets with Your Honour's approval and with the consent of the House, I would propose, seconded by the member for LaSalle—Émard and of course seconded by the member for Skeena, the following motion:

> That, in the opinion of this House, the government should consider the advisability of preserving and protecting in its natural state at least 12 per cent of Canada by working co-operatively with the provincial and territorial governments and assisting them to complete the protected area networks by the year 2000.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, not only do we agree with the minister, we want to congratulate all members of this House on taking an initiative that reflects, I am sure, the desires of all Canadians. We second the motion.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to thank the minister, the member for LaSalle—Émard and the rest of the House for their consideration of this important environmental resolution.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, unfortunately, unlike the other parties, we did not have a chance to consider the various elements of the motion, and we would like to reserve judgment. Consequently, without prior consultation, we cannot give unanimous consent at this time.

Mr. Charest: Mr. Speaker, if I understood the hon. member for Shefford correctly, he said that he preferred to reserve his consent. It is true that we did not have a chance to consult the hon. member for Shefford. If you agree, I and my colleagues from LaSalle–Émard and Skeena could consult the hon. member for Shefford and get back to you as soon as possible on the matter of unanimous consent.

[*English*]

Some hon. members: Agreed.

Mr. Speaker: I think it is agreed that the matter be reserved for a few minutes to give an opportunity for consultation with all members.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

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

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

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FAMILY LAW COMMITTEE

PUBLIC DISCUSSION PAPER

Mr. Rob Nicholson (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, pursuant to Standing Order 32(2), I am pleased to table on behalf of the Minister of Justice the report of the Federal–Provincial–Territorial Family Law Committee Child Support, Public Discussion Paper: *pensions alimentaires pour enfants, document de travail public*.

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

REPORT ON ACTIVITIES OF CANADIAN SECTION OF AIPLF

Ms. Nicole Roy-Arcelin (Parliamentary Secretary to Minister of Communications): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the activity report of the Canadian section of the International Association of French-Speaking Parliamentarians.

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[*English*]

SCRUTINY OF REGULATIONS

FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. Derek Lee (Scarborough—Rouge River): Madam Speaker, I am pleased to present to the House today the first report of the Standing Joint Committee on the Scrutiny of Regulations. The report deals with the mandate of the committee and some procedural aspects of the committee's work.

I would point out for the benefit of House leaders that it has been customary over the last couple of decades for the first report of this committee to be concurred in by the House. I would look into this over the next two days or so.

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

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PETITIONS

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have a petition to present that has been certified correct by the clerk of petitions. It is signed by residents of Ontario, Quebec, Nova Scotia and New Brunswick.

The petitioners humbly pray and call upon Parliament to support the NDP plan to restore VIA Rail service cut on January 15, 1990, to maintain and, where appropriate, upgrade remote services on which many Canadians rely, to provide a legislative mandate for VIA Rail and make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the rest of the western world.

UNITEL

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I have a petition that has been certified correct under Standing Order 36. The petitioners urge the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in long distance service.

They also urge the Minister of Communications to consult with all affected parties and to hold local hearings in their community before deciding the fate of Canada's telecommunications system.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, I rise today to present two petitions. The first petition is from a number of farmers from the province of Saskatchewan who are concerned about this government's attack on the Canadian Wheat Board.

They call upon this government to reinstate oats under the Canadian Wheat Board and to give oats and barley the same protection under the Canadian Wheat Board Act as wheat has.

UNITEL

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, as well I have a petition from a number of Canadians who are concerned about Unitel.

They urge the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in long distance service. They also urge the Minister of Communications to consult with all affected parties, specifically those citizens living outside Canada's urban areas who will be impacted severely by deregulation.

They are concerned about the future of rural Canada.

SPRUCE FALLS POWER AND PAPER

Mr. Réginald Bélair (Cochrane—Superior): Madam Speaker, I have the honour to present a petition on behalf of the 3,523 residents of my riding of Cochrane—Superior, more specifically the town of Kapuskasing and surrounding municipalities, on the subject of the possible implementation of the Amos plan at Spruce Falls.

If this plan is implemented it will result in the loss of 1,200 direct jobs and an estimated 5,000 to 6,000 indirect jobs. Such a development would devastate the local economy, jeopardize the ability of municipalities to function effectively and cause a mass exodus of skilled labour in the region.

Therefore the petitioners are asking the Parliament of Canada to support the Spruce Falls Power and Paper.

• (1510)

GOODS AND SERVICES TAX

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, pursuant to Standing Order 36, I have petitions with respect to the taxing of books, which is a tax to impose ignorance. They continue to protest the GST because taxing books is a terrible mortgage on our future. It unduly affects the sale of Canadian books and magazines. Book purchases by our schools and libraries have decreased by 10 per cent.

The petitioners wish to bring to the attention of this House that some foreign publishers have refused to ship books and materials to Canada because these book sellers are required to become Canadian tax collectors. Bureaucracy may be flourishing under the GST, but the flow of reading material is not.

They call on this government, which has said in its Speech from the Throne that it wants to obliterate illiteracy, improve education and ensure having a better educated population, to withdraw its tax on goods and services and to reinstate postal subsidy on community newspapers and Canadian magazines.

VIA RAIL

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a petition in which the undersigned petitioners call upon Parliament to support the NDP plan to restore VIA Rail services which were cut on January 15, 1990, maintain and, where appropriate, upgrade remote services on which many Canadians rely, provide a legislated mandate for VIA Rail and make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the western world.

This petition is signed by many people from Allardville, New Brunswick all the way through to Kitchener, Ontario.

HUMAN RIGHTS ACT

Mr. Phillip Edmonston (Chambly): Madam Speaker, I rise under Standing Order 36 to present a petition from petitioners throughout Canada, particularly in Quebec as well as in Ontario, who petition Parliament to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

I would like to add that this has already been done in Quebec, Ontario, Manitoba and Yukon.

VIA RAIL

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, VIA Rail seems to be almost gone but not forgotten.

I rise on behalf of a number of petitioners from Nova Scotia, New Brunswick and Newfoundland who ask that the government consider restoring the VIA Rail services, maintain and, where appropriate, upgrade remote services so that Canadians can rely on a good and effective transportation system.

UNITEL

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Madam Speaker, I stand to present a petition today signed by a number of residents from Chilliwack, Nanaimo, Vancouver, and other areas throughout B.C.

The petitioners are very concerned about the application by Unitel Communications now before the CRTC. They are urging the Minister of Communications to oppose Unitel's bid to compete with Canada's telephone companies in the long distance telephone market.

Furthermore, they urge the minister to hold local hearings in rural and interior communities before deciding the fate of Canada's telecommunications system.

HUMAN RIGHTS ACT

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I would like to present a petition which has been signed by a great number of people from British Columbia. It deals with the government's 1986 promise to take whatever measures necessary to ensure that sexual orientation is a prohibited ground of discrimination.

The petitioners note that the Canadian Human Rights Commission has called for this and that three provinces and one territory have put such protection into their Human Rights Acts.

They therefore call on the federal government to follow through with the promise made in 1986.

UNITEL

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of a number of petitioners from throughout the province of British Columbia and in the city of Toronto.

The petitioners express their belief regarding the Unitel application that full consultation among all parties affected by any changes in the long distance local service relationship must take place prior to any action.

Further, the CRTC hearings on the Unitel bid must be integrated with the development of an over-all Canadian telecommunications policy. In pursuit of that, they urge the Minister of Communications to oppose Unitel's bid and further urge the minister to consult with all affected parties, specifically those citizens living outside Canada's urban areas who will be impacted severely by any deregulation and imposition of higher tolls on rural Canadians.

HUMAN RIGHTS ACT

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I rise on behalf of quite a number of petitioners from almost every province and territory who are asking Parliament to take action to bring forward immediately an amendment to add sexual orientation to the Canadian Human Rights Act as a prohibited ground of discrimination.

They mention that the House of Commons mandated the Standing Committee on Justice and Legal Affairs in 1985 to prepare a report on equality rights. This was supported in 1986 but the government has not yet acted.

The Canadian Human Rights Commission has consistently called for such an amendment and recently stated that government inaction called into question the commitment made four years ago.

We call on the government to honour its commitment in this regard.

CANADIAN FLAG

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise to present a petition signed by numerous residents of the riding of Kingston and the Islands. They call upon Parliament to pass a bill to make it an offence to desecrate or otherwise destroy the flag of Canada.

An hon. member: How many is "numerous"?

Mr. Milliken: The parliamentary secretary has asked me how many is "numerous". If he would give me answers to the questions I have put on the Order Paper, I would be pleased to answer his. I will be pleased to tell him that in this case it is something over 60 signatures.

HUMAN RIGHTS ACT

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I have the honour and duty to present petitions calling upon this House to include the right to freedom from discrimination on the basis of sexual orientation in the Canada Human Rights Act.

I would point out that the subcommittee on equality rights of the Standing Committee on Justice and Legal Affairs supported a report supporting this; that there are provinces and territories such as Quebec, Ontario, Manitoba and Yukon that have such protection; and that it is time now for this House to take a stand and ensure that sexual orientation is in the Canada Human Rights Code.

I also have the duty and honour to present a petition from my constituents in Yukon. Whereas the government has refused to extend to public sector workers the full rights to collective bargaining and the federal government wants to contract out jobs rather than use the skills of the public sector workers, these petitioners call upon Parliament to protect the collective bargaining rights of public sector workers and reject the imposition of wage controls and the further contracting out of jobs from the public sector.

* * *

THE ENVIRONMENT

PROTECTION OF CANADA'S ECOSYSTEM

Hon. Jean J. Charest (Minister of the Environment): Madam Speaker, after consultations with the member for Shefford and the other parties, I would like to repeat the motion that I put to the House a few minutes ago with one change. I would like to suggest that the motion be seconded by the member for Prince Edward—Hastings of the Liberal Party who I understand from conver-

sations I have had with the member for LaSalle—Émard has a special interest in this issue.

I would be more than happy to suggest that the member second this motion. Of course it is also seconded by the member for Skeena. Unless otherwise spoken, the member for Shefford also gives his consent to this motion.

Mr. Martin (LaSalle—Émard): May I repeat that we agree with the minister on this matter.

Mr. Fulton (Skeena): I would also like to thank the minister, the member who just spoke and my friend from Shefford.

Mr. MacDougall (Timiskaming): On a point of order, Madam Speaker. I have great concern about passing motions when they deal with the entirety of this country and rural parts when we talk of an over-all approach of 12 per cent.

I just hope there is going to be a great deal of caution to ensure that where the 12 per cent is going to take place, it will not jeopardize those regions of the country that develop and need the jobs in order to survive.

Madam Deputy Speaker: I do understand that despite this piece of advice the hon. member is still giving his consent.

• (1520)

The House has heard the motion presented by the hon. minister. Is there unanimous consent?

Some hon. members: Agreed.

Motion agreed to.

* * *

QUESTION PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if Question No. 7 could be made an Order for Return, the return would be tabled immediately.

Madam Deputy Speaker: is it the pleasure of the House that Question No. 7 be deemed to have been made an Order for Return.

Some hon. members: Agreed.

[*Text*]

EDUCATION

Question No. 7—**Mr. Duhamel:**

For each fiscal year since 1987–88, (a) what is the total of all cash funding allocated by the government for educational purposes (primary, secondary, post-secondary, (b) what is the breakdown by program (c) what is the description of each program?

Return tabled.

[*English*]

Mr. Cooper: I ask that the remaining questions be allowed to stand.

Mr. Milliken: Madam Speaker, since I was so fast to answer the question put to me by the parliamentary secretary a moment ago—I gave the answer within 10 seconds—I wonder if he would tell the House when he can provide an answer to the question I put on the Order Paper on February 13, over four months ago. It would be most appreciated if he could prevail on his colleagues to get an answer to that question, particularly when the House is going to adjourn at the end of this week for a long summer recess.

Mr. Cooper: Madam Speaker, I think my hon. friend needs to take a lesson from this. I put to him a very clear and concise question which he was able to answer immediately and therefore he understands the difficulties we are having with his at the moment.

Madam Deputy Speaker: Shall all remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the second time and referred to a legislative committee; and on the motion of Mr. Sobeski (p. 1799).

Mr. Dingwall: Madam Speaker, I wish to inform the House that after my colleague from Parkdale—High Park completes his intervention, we will be moving in accordance with the Standing Orders to split our time, 10 minutes and 5 minutes of questions and answers.

While I am on my feet I am wondering if I might direct a question to the parliamentary secretary to the government House leader with regard to future business of the

House for today, particularly the business which will follow after the consummation of the vote at six o'clock this evening. Does he intend to proceed with a continuation of Bill C-20, or does he wish to debate the provisions of the Draconian bill, better known as Bill C-11?

Mr. Cooper: Madam Speaker, I want to indicate to the House and to my hon. friend that yes, indeed, if it is necessary to continue debate on Bill C-20 after the vote this evening, we would intend to do just that.

Should Bill C-20 collapse prior to ten o'clock, or should people not be rising to enter the debate prior to ten o'clock, we would be more than happy to carry on with what we hope would be a speedy debate on Bill C-11.

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, when I was on my feet prior to Question Period I was debating Bill C-20 whose title reads: "Budget Implementation Act, 1991, Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act." It would be more appropriate if it were entitled: "The Destruction of Canada Act", another one of the government's bills which is destroying the very fabric of this country.

I have the honour and the pleasure of representing Parkdale—High Park, which is representative of our beautiful country. In this riding I have the more fortunate Canadians who live in homes with swimming pools, three cars in the driveway, ravine lots, you name it. I also have the less fortunate Canadians who are paying most of their income for rent and have very little money left for clothing and food. Some of these people, to make ends meet from month to month, do have to line up in food banks to get additional food for the children. I then have all of the other constituents on that spectrum.

Whoever created us or got us on this earth built into the life span of everyone an equalizer. That equalizer is death. Unfortunately, prior to death many of us do require some kind of medicare or hospital care. I think in everyone's opinion, that kind of care and that service should be equal to everyone.

Before Question Period we heard from a Conservative minister from Quebec, stating that he does not care if an ambulance drives a patient from Quebec to Vancouver, that is the province's choice. Well, when my constituents have to be driven one mile to the hospital by ambulance, I want that ambulance service to be there. I do not want it reduced or cut because this government is reducing its transfer payments.

My constituents have a fairly good health care service. In the west end of Toronto we have the Runnymede Hospital chronic care which looks after people well into their 80s, 90s and 100 years. I have the honour of going in and celebrating people's 100th birthdays thanks to the care they are getting in this hospital.

I have the Queen Elizabeth Hospital in my riding which provides first-class care for the handicapped who are able to lead their lives in a very dignified and respectful way.

Last Friday I had the honour of going to my riding to help open the Frank O'Leary Health Clinic for citizens 55 years and over, a community health centre where people can drop in in a relaxed manner. Not in the riding but serving Parkdale, we also have the Parkdale Community Health Centre, a drop-in centre. Centres such as these help take the pressure off the emergency wards of health centres and hospitals and that is as it should be.

Last Sunday I participated in a fund raising event in High Park to help raise funds for St. Joseph's Health Centre in my riding. What pleased me was that people came from Parkdale, High Park, Baby Point and there was no distinction between rich and poor. There was no distinction between the people who have the swimming pools and the people who can barely make ends meet month to month. They were all out there as a family helping to raise funds for St. Joseph's Health Centre because the federal government is cutting further and further and, as a result, the provinces are giving less and less to the health centres and to the hospitals.

St. Joseph's Health Centre has a community health case clinic. It has a community mental health clinic. There is an emergency ward. There is a family life program. There is a family medicine centre. There is a pre-natal screening program. There is the women's health centre. There is also our Lady of Mercy chronic

health care where I spend every July 1 helping these shut-ins celebrate Canada Day.

That is why I say that the constituents in my riding are fairly well looked after, but they are getting very concerned because they already see cutbacks as a result of reduced transfer payments.

I mentioned the shut-ins because sometimes we forget about them on Canada Day and since we are leading up to Canada Day weekend. On this weekend I visit the hospitals, the senior citizen homes and I visit all of the people who cannot come out to the parks or the streets for celebrations. So I go to their bedside and I present them with a Canadian flag and I wish them a happy Canada Day.

• (1530)

Hopefully, our health services will be such that these people will be able to celebrate more and more Canada Days with us.

With your permission, Madam Speaker, I would like to wish all the shut-ins across this country from coast to coast to coast a happy Canada Day, especially those who will not be able to get out on July 1 weekend.

In the government's obsession to reduce the deficit, it has threatened our entire way of life. By reasoning that if it spends less and less money, it will be able to take what is saved and apply it to the deficit, this government has ground our economy to a halt.

Imagine a situation where the Minister of Finance would say to the Prime Minister: "Mr. Prime Minister, when you fly to Hong Kong, instead of chartering a plane for $100,000, could you please wait two hours and fly on a regular flight?" One hundred thousand real dollars would have been saved.

This is real money which could be applied to the debt, but it is not hospital money, nor education money. Bill C-20 is not going to save money, not real money. By reducing the amount of money transferred to the provinces for post-secondary education, tuition will go up.

When tuition goes up, the chances of the average person getting an education, a job and paying their own way goes way down. This government is putting into motion a cycle of poverty and lack of education which terrifies me.

Before coming to this House, I spent 28 years in education, as a teacher, vice-principal, principal, supervising principal and as co-ordinator of special education of students with handicaps. I worked with adolescents, in psychiatric treatment facilities, in hospitals and so on, so I know just how important it is to get an education.

Education is not a luxury. It is a necessity. Money spent ensuring Canadians get a post-secondary education is the best possible investment we can make for the future of this country.

The federal government has a duty to take the money it collects from taxpayers and invest it wisely. Investing in equality of opportunity, the opportunity to get an education and the opportunity to get medical care, is a good investment.

I urge this government to reconsider this bill. I urge the minister to take a good look down the road. I am a little disappointed that so few Conservative members are taking part in this debate, but I think they know if they stand up to defend this bill they will lose the next election. They know it and that is why they are sitting quiet on their hands, refusing to debate this damaging bill.

Projections to the year 2000 show $100 billion in federal support will be taken out of the provincial medicare and education systems. As the flow of federal cash is taken out, the federal influence over both areas is reduced. When that day comes universal medicare will be dead. Access to education will be beyond the reach of all but a few.

If changes must be made, they must be as a result of federal-provincial negotiations. They must not be imposed unilaterally by the federal government with no thought of the consequences for the provinces and the people I described earlier. Minimum standards must be maintained in all provinces and territories, and only the federal government can ensure that that is done.

If the government backs away from the leading role it has played for so many years, in the beginning it will be at the expense of the poorest people in the poorest regions. It will not take long, however, for all regions to begin to suffer and for all Canadians to feel the consequences.

This is not my Canada. My country is one of equality of opportunity where every person has the same basic rights. There is time to change. There is time to get off

this destructive path and get back to being a country with one of the highest standards of living in the world.

There is still time to preserve our post-secondary education and medicare systems, and I urge the minister to listen to Canadians and do the right thing: withdraw Bill C-20.

Mr. René Soetens (Ontario): Mr. Speaker, I rise with pleasure today to participate in debate on this bill. I realize the previous speaker, the member for Parkdale—High Park, questioned why there were so few Tories getting up to speak in defence of this bill. There is one Tory standing right here who has absolutely no trouble defending this bill, and I am in fact proud to do so. Not only am I proud to do so this year. I was here last year when Bill C-69 was put through the House, a bill that further restrained spending a year ago, and I do not have any hesitation in standing up and supporting government restraint.

For too long in this country, for too long in this city, for too long in this Parliament when Liberals were in office, no member of the Liberal Party stood up and said to the government: "Restrain your spending, cut it back, stop it from increasing, don't spend it here, don't spent it there". In fact, one particular case comes to mind to show the foolishness of Liberal governments of the past. Where were the members opposite? Why didn't they stand up and speak?

There was a trucking company that went out of business because it was bankrupt, potentially bankrupt, and what did the Liberals believe? The Liberals believed that if this small trucking company was allowed to fold nothing would move between Toronto and Montreal because there would be no way of transporting the goods between the two cities. In total absence of any comments from the members opposite while they were in government, the Government of Canada gave $29 million to a trucking company only to see it go bankrupt anyway. It is that kind of nonsense that preceded us and causes us now to bring forward this particular bill, which of course is a further restraint on spending that we had last year.

What is all in this bill and in just what direction is it going? Before I get to that I would like to talk about some of the things we did last year. There are some very serious steps we took last year which we are continuing this year. Certainly one of the things we did in last year's budget, which I think was a very positive step, was the tax back provision of various government programs to high income Canadians, whether they be family allowance or Old Age Security recipients.

Another thing that does not get an awful lot of press nowadays, because I guess it is something the opposition does not want to give us credit for, is the special tax we placed on large corporations. Various large financial institutions and banks cannot use the tax system to avoid paying a minimum amount of income tax. This was in last year's particular bill that I am mentioning.

Of course, the other thing we did was to stop or slow down the growth in transfers to the provinces. I find that a very positive move.

I sat here today during Question Period, an hour ago, and listened to members of the opposition talk about what I perceived to be their restraint on spending, their thoughts on this year's budget and where they would be going if they had their way.

There were demands that the government increase funding to the Canada Assistance Plan, open-ended funding, versus restraint to three provinces, one of which I happen to be a member of Parliament for. Yet opposition members say: "give them all the money in the world, all they ask for". That was one of their questions.

Another question rather facetiously asked was about why we were spending $126 million over the next four years on violence to women? Why didn't we bring it forward and spend it over two years so that we would have it all spent by the time the next election rolled along?

Of course, the reason we did not do that is because we do not spend money based on next election programs. The other fact of course is that if we did they would be saying: "the only reason you are spending it over two years is because there is an election coming and you are trying to get it in in advance of the election". That is not the way we operate.

They also demanded more money for housing. Even though we have substantially increased funding over the six years devoted to social housing, there they were demanding more money for housing. They were complaining about the defence spending cuts that we are presently undertaking in Europe. They were looking for

more funding for Indian bands even though we have substantially increased funding for Indian bands over the last number of years. Of course they were objecting to the restraint on wages we put on the Public Service. Then they asked for unlimited funding for health care programs. It was attitudes like that, Madam Speaker, that if their spending patterns had carried on from 1984, we would now have a $96 billion or $98 billion deficit instead of the one we have.

• (1540)

That is the attitude that Liberals and NDPers bring to debate. It is amazing that after six years of looking at the serious financial problem we have, there has been no change in their outlook. Their cure to all of the problems of this country is simply to spend money. Well, I am one who is proud to stand in this House and say I do not agree with that cure; in fact, some of the cure might be better achieved if we didn't spend quite so much money.

What have we done? In the February 26 budget we asked we asked many Canadians to share further in the fiscal restraint that the government started on.

We know, and I certainly hear it from many of my constituents, that there are already Canadians who have made some very important sacrifices in the name of restraint. We also know that there will be a reluctance on the part of many of those to accept further requests for If we took no steps to deal with this worsening debt and fiscal situation that we have in Canada, the deficit would be much higher than forecast over the next five years. In fact, it would be so much higher that an additional $215 billion would be added to the public debt—$215 billion that my constituents cannot afford, $215 billion that the children and future children of my constituents cannot afford, and I would hazard to say that is the case for all Canadians.

What have we got? We have come up with a bill that does some very specific things. I can use some words which I think probably reflect what we are trying to do here, words of Mr. McKenna in a speech that he gave back on February 21 of this year. I would like to quote from an article in *The Globe and Mail* of February 28. It says: "Each government would be required to produce a four-year balanced budget. No leader could buy popularity today with the dollars of tomorrow. The leaders of the sixties and seventies have placed a first mortgage on the future of Canada. The leaders of the eighties and nineties are placing a second mortgage on the same asset. There is no equity left. We must once and for all put an end to the suffocating debt load we are placing on the backs of our children."

I like what Mr. McKenna had to say and I think that this particular bill goes in the right direction, to stop today's government and future governments from simply spending money for the sake of it.

What is in this particular bill that has the opposition so terribly concerned? Certainly one of the things is restraint on federal transfers to the provinces, and yes, they are being restrained. I find it interesting that here in the province of Ontario that with our new provincial government is spending money like drunken sailors. I would like to share with you just what the Government of Canada is proposing for the health care system and the various other things.

When the Government of Ontario brought down its budget a couple of months back, it indicated that the reason it had a $9.8 billion deficit was because the Government of Canada was reducing its payments to the province by some $3.4 billion. That is rather far from the truth, Madam Speaker. What has basically happened is that over the last six years, since 1984, the Government of Canada has increased the transfers to the province of Ontario by some $3.2 billion, which on an annualized basis meant that the increases were running at about 7.5 per cent per year, year over year increase.

The province of Ontario is saying: "Well, yes, but you should have given us more. If you take their number, we should have given them, according to this, twice as much". Can you imagine trying to justify to my constituents why we are increasing the transfers to my province at the rate of 15 per cent a year? When we are living with a 5 per cent inflationary environment, my constituents would certainly not accept us increasing transfers and thereby allowing other governments to increase their spending at a rate of 15 per cent a year.

Now, if they don't agree with the fact that it should have been done over the last six years and say it should have been done all in the last year, you have to understand that what the province of Ontario is suggesting is that the Government of Canada should increase its transfers to the province this year by some 45 per cent. I do not know in whose mind 45 per cent would be an acceptable number.

An hon. member: The socialists.

Mr. Soetens: I guess the socialists might. Unfortunately for us, we have a socialist government in Ontario. But fortunately for Canada we have a Conservative government in Ottawa because they are not getting 45 per cent more from us this year or any year while I am here, I hope, so that it is very clear.

What have we done this year? We are increasing transfers to the province of Ontario, contrary to all that rhetoric that comes from Queen's Park and from some of the opposition seats. We are increasing transfers to the province this year by about 2 per cent.

An hon. member: How much?

Mr. Soetens: About $220 million, not some small sum. That is a rather significant sum. When in fact we in Ottawa are holding our spending quite successfully, we see no reason why other provinces and other levels of government should not do the same.

I stand here to say that in this particular bill that is in front of us, we are restricting the rate of increase in our transfers to the province. However, I say quite clearly that I support that restriction without any hesitation. Canadians across this country are calling on all governments to improve efficiency, to tighten up the rules under which government money is spent, and I think this is exactly what we are doing with this bill.

Now, some will argue on the opposite side—I heard it on Friday, I heard it today—that because of this restriction in the transfers that we are giving to the provinces, the federal government will lose its clout; that it will lose its ability to enforce the Canada Health Act, to enforce the rules and regulations under which the services will be delivered because there is no money that it can use, shall we say, in a sense to attach penalties to provinces if it is not transferring any money to them.

Of course you know that the second part of this bill very clearly deals with some revisions which give the Government of Canada power to attach financial penalties to transfers other than those that would be attached to health care transfers, so that we could use any sort of financial transfer that we have to a province to in fact penalize the province if it set out to restrict the government's ability to have proper services provided by the various funds that we are transferring.

There is another item that is in here which personally I might suggest does not go far enough, particularly when it deals with MPs. We can maybe discuss it in the context of the wages that MPs and senators are going to receive.

As you are aware, the Government of Canada has announced—and this bill goes further to implement it—that members of Parliament salaries will be fixed too. As you are aware, there are already two bases under which this is fixed. One is 1 per cent less than the consumer price index, and the other I believe is 1 per cent less than the industrial average wage in Canada. Now there is going to be a third restriction, and that basically will say that MPs cannot receive more of an increase than we grant to the civil service.

As you are aware, based on some of the news reports that are going on right now, the civil service is negotiating a salary increase but the government has said that for this year there is no additional money. It appears that they will get 0 per cent this year, 3 per cent next year and 3 per cent the year after that. So this bill basically says that MPs and senators will receive that amount of money or less if the Consumer Price Index is lower.

I think you will find that Canadians have been calling on members of Parliament and senators to participate in this restraint measure, and you can see very clearly by this particular item in the legislation that we are doing that.

I might suggest that there are some Canadians who would support the idea of looking at the tax-free portion of the allowance that members of Parliament and all politicians across this country receive. That might be an interesting subject for a private member's bill.

I would suggest that clearly members of Parliament and senators are participating in the restraint that we have been asking the rest of the civil service here in Ottawa and across Canada to participate in.

Having said that, I do have some concern about the civil service salaries. Yes, they are being restrained, and they have been restrained for the past four or five years. If I listen to many of the federal civil servants who live in my riding—and I have had a chance, particularly this weekend, to talk to a number of them—I can sympathize with their point. They are being asked in a period of 4 and 5 per cent inflation to accept a 0 per cent increase this year, when for example last year they got less than the provincial civil service, or in fact probably less than the civil service in my municipalities. There are a lot of civil servants who are saying: "For the last four or five years, we federal civil servants have been asked to bite the bullet much more severely than any other level of civil service". From my observation that is correct. I wish we had more money to give them. They probably work harder or work as efficiently as any civil servants, but the fact of the matter is we do not have any money. There is a choice in the matter, and that is to be laid off so that we have money to give more to those other civil servants who still have jobs.

• (1550)

I am not sure that is necessarily the appropriate step. I do not think we should simply be slashing staff for the sake of slashing staff. I do not think we should be slashing staff so that we can say to other staff: "Well, we got you a salary increase". What we are saying in this circumstance—and it is a very appropriate circumstance—is that the federal government has a problem: "We all have to tighten our belts. Your contribution to this will be an absolute restraint on your wage increase". I support that, even though I understand how difficult it may be for many of those people who are caught by that.

Further in this bill there are a number of other items that are affected. The Public Utilities Income Tax Transfer Act is being affected. There are many public utilities across Canada that would pay income tax and that tax is transferred to the provinces. What we are doing with this particular piece of legislation is capping the transfer of that tax to the provinces. Principally, it is Ontario and Alberta that pay the bill on this.

It is coincidental that in Alberta they passed a piece of legislation that in fact stopped that transfer from going all the way through to the municipalities. They certainly agree with the gist of what we are proposing with this kind of legislation. They have implemented steps that are much more severe than that which we are proposing.

Also in this particular bill are changes to the Unemployment Insurance Act. When the present Government of Canada came to office in 1984, the Unemployment Insurance Act was operating with a tremendous deficit in that we were paying out substantially more in the way of benefits to the unemployed than we were collecting in the way of premiums from those who were employed.

It is an insurance scheme and the Government of Canada said: "Just a minute, if you are going to have this kind of a scheme, and if you are going to have this kind of a plan, it certainly has to be self-financing". Over the last number of years we implemented a program to make the unemployment insurance fund totally self-financing. As you are aware, now the Unemployment Insurance Act has again become non-self-funding. Of course as many members of the opposition would echo, unfortunately it is not paying its way because there are many unemployed people now who are unable to make their contribution.

What we are doing with this particular bill is increasing the premiums being paid by the worker from $2.25 per $100 of insurable earnings to $2.80. On the part of the employer we are increasing it from $3.15 to $3.92. The intent of that is to make the plan self-funding. It will not all be done in the immediate step, but over a period of about a year it should make it self-funding.

What does that do? It stops it from going into a deficit. It stops future contributors to the unemployment insurance fund from having to pay interest on the debt that the unemployment insurance fund has. That kind of step is appropriate because, unfortunately, if previous Liberal governments had not spent their way out of office, we would not have the problem today of trying to raise all kinds of money simply to pay interest. On the unemployment insurance fund, we are saying that we are not going to allow a debt to be accumulated, and therefore future contributors will not have to try to earn first the interest to pay that fund before we carry on any further.

Those are some of the highlights of what is in the legislation and they are certainly very positive steps.

Just so that it is understood that there is some light at the end of the tunnel, I thought I would quote from an article from *The Ottawa Citizen*, which appeared on June 13, a column written by Marjorie Nichols.

I would like to read a couple of paragraphs from her column. The first paragraph reads:

> The budgetary deficit numbers actually distort the fiscal truth. In fiscal 1984–85, the Liberal budget deficit was $38.3 billion, of which $16 billion went to pay for "groceries"— federal programs and salaries.
>
> In fiscal 1991–92, by contrast, the Conservative deficit will be $30.5 billion, all of which is interest charges on the national debt.

Members would be happy to know that at least 85 per cent of that interest is on debt which was there when they were in office.

So I hope I have shared some important aspects of this particular bill. I am proud to stand here and say that I support this bill in spite of all the catcalls from the other side.

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, I wanted to zero in on a couple of particular comments that the member had to make. He talked quite eloquently about how the Public Service now has to bear no wage increase and yummy, yummy, we as members of Parliament earn substantially more than the $19,000 a year which a large number of women in the Public Service earn as well as those who are out on the high seas performing rescue operations at great danger to their lives. Those tens of thousands who earn less than $19,000 are going to be frozen in exactly the same way as members of Parliament who earn close to $100,000 per year.

I am wondering why the member who has just spoken thinks that is fair. I am also wondering why he thinks it is fair that senior managers in the Public Service earning upwards of $100,000 get bonus and increases equivalent to the increase in the CPI but people earning less than $20,000 get no increase this year.

I cannot help wondering why he wants to tie the increases of members of Parliament to the increases of public servants, rather than having a special wage restraint package for those who are earning substantially more than the 68,000 public servants who are earning less than the poverty level income in this country.

Does he really think it is fair that 68,000 people, whose income is already below the poverty level, should earn less next year? Does he think the price of bread is going to go down? He might, at the same time, want to comment on the fact that he did refer to the federal Public Service receiving wage increases substantially below the rate of inflation for five years now and substantially below other workers in the public sector.

What he forgot to mention was the fact that those wage increases are even below increases in the private sector and that increases in the private sector in many communities are up this year and are pushing the price of goods and services up this year. Both people who will get no increases live in exactly the same communities and pay exactly the same prices as those who are getting substantial increases in the private sector.

Would he care to comment on any of those points?

Mr. Soetens: Madam Speaker, I would be happy to try to cover some of the points that were raised.

I did not hear the member say that she would support this bill because it had restraint of MPs salaries. It would be interesting to see whether she will rise in this House and say she supports at least that portion of the bill, because I have not heard anybody opposite really get to that point.

She talked about all these high income senior management people in the Public Service. I did not hear her mention that in the budget we had announced that 10 per cent of them were going to be losing their jobs. She also talked about the wage increases. I did mention that the people in the federal Public Service have received less money than their counterparts in the provincial Public Service. I find that unfortunate and very difficult, but because other governments in Canada, particularly in Ontario, choose to spend money faster than I think appropriate does not mean necessarily that we should follow the same patter.

Mrs. Catterall: Well how about the private sector?

Mr. Soetens: Having said that, if a province in Canada were in a serious fiscal straitjacket, as the federal government was in, I am sure it would find that all of its Public Service would also be capped.

• (1600)

Of course, finally she yells out: "Well, how about the private sector?" I might point out that in the private sector those companies that do well give their employees increased pay. Those companies that are in the process of going broke or not making any money either lay off their employees, freeze their salaries, or even cut their salaries.

In our situation there are no employees faced with the imminent loss of jobs because our company, the Government of Canada, is closing. We have not forced job sharing on any of our employees, as is happening in the private sector. We have not cut anybody's wages in the federal civil service, as is happening in the private sector, and we certainly have not closed any doors, which is happening in the private sector.

So when the member opposite yells out: "Well, how about the private sector?" I thought I would point out that there are some factors concerning the private sector which she ignored in her presentation.

Mr. Steve Butland (Sault Ste. Marie): Madam Speaker, it gives me dubious pleasure to speak to Bill C–20. Ten or 20 minutes is not near enough time to denigrate the actions or the policies of this government.

I am going to, from time to time, quote from Premier Bob Rae's speech in Halifax because I know my colleagues in the Liberal caucus from northern Ontario are very interested in what Premier Rae has to say. I know the members opposite, and even the Japanese, are very interested in Premier Rae.

I want to quote from his speech in Halifax because I think it was a great inspirational speech for, not only New Democrats, but for Canadians had they heard it, so I want to be sure to cite several quotes from Premier Rae. He said: "Let's build something together. Let's build something positive together instead of this absolutely futile cut and cut, cut and slash, cut and withdraw and cut and then express surprise that the country seems ill at ease. Why the hell wouldn't it be ill at ease with that kind of leadership and that kind of approach".

The present Minister of Finance says: "We are staying the course. We set a course in 1984 and we are staying that course".

What a circuitous course that has been, especially since 1988. It is difficult to stay a course when at first you practice to deceive. There is a sudden rebirth or change on behalf of the government. We need only look at 1988 when the course was very, very different from the present course of this government.

I take a look at the Tory—I will not call them promises because they certainly were not promises, I am not sure what they were. The Tories were talking about $12 to $16 billion that they would be able to spend across this country. All of this money was within the budget. It was already in the estimates. It was taken care of.

Some of those promises included: "Free trade will mean lower prices for Canadian consumers, better jobs and greater opportunities". The Prime Minister said in Prince Edward Island, as late as October 1988, that: "In the future Canada will be doing more, not less, for all of you. As long as I am Prime Minister social benefits, especially those for the elderly, will be improved, not diminished by our government which is committed to social justice and fairness for Canadians." We know that turned out not to be true.

He then said: "We will continue to pursue policies to make equality of opportunity a reality for all Canadians by expanding the training and skills, upgrading programs of the Canadian Jobs Strategy". That was in 1988. In 1991 we cut $100 million from the Canadian Jobs Strategy.

He continued: "Social programs will be strengthened. We will have more millions of dollars to fight illiteracy and combat drug abuse. We are prepared to subject every federal undertaking and every undertaking on federal lands to a full environmental impact study". Another promise certainly broken.

The issue here is not broken promises, but the suggestion that this is a course that we are staying.

The course has changed very dramatically since November 1988. There is a new course being followed by this government, which suddenly has been converted by

Reverend Ike, James Baker or whomever. The government has said: "This is the course on which we are going to stay now. It is all about deficits".

We say in Ontario, and federally, that there are two ways of dealing with a recession. I can talk about the anatomy of my own constituency. The Ontario government says: "We would rather fight than switch. We do not want this Operation Desert Storm with the province of Ontario, the country of Canada or the constituency of Sault Ste. Marie".

Transfer payments have been cut. They have been capped at the worst possible time, and I cite statistics from one of the hospitals in my community. The provincial government has given a 6 per cent increase across the board to hospitals. It is conceivable that they could receive as much as 11 per cent depending on the services. Yet, the hospitals tell us: "That is not enough".

Inflation is 6.4 per cent in hospital services. As a result, even with this increase by the provincial government, there are still beds being cut in the hospitals in my community. I am sure there are cuts across this country in hospitals.

We say: "We cannot increase the transfer payments to the provinces". The province of Ontario has tried, and even with that attempt, there are still dramatic cuts in the medical system of this country.

This government is not transferring payments. It is transferring responsibility, and there is the major difference. It is squeezing what it can out of the provincial government, which has no recourse. All the other governments in this country have chosen to swim with the stream as opposed to swimming against the current.

It is the only government with the fortitude to swim against the tide and attempt to help people when they most desperately need it. That is now in the midst of a recession.

We talk about UI and the increased payments for employees and employers. The suggestion is that this is a safety net. When you most need the UI system, as my community did in a 16–week labour dispute, just try to get what you think is rightfully yours from the UI system. Even when you think you have won a settlement or an appeal or even when you have won a Federal Court ruling there is a possibility that this government will take you to court over a ruling, that it will go to the Supreme Court of Canada to ensure that you will not get UI.

It was the audacity of this government to add insult to injury in the midst of a strike or labour dispute when the workers received vacation pay which they so desperately needed. The government continued to say: "We are going to continue to take UI premiums from your vacation pay even though you cannot collect UI". This was ironic at worst and tragic at best.

The UI system is fraught with inconsistencies. It is nigh on impossible to extract old moneys from the very upper levels. I have no quarrels at all with local UI offices. However, the higher you go the more difficult it is to extract any funds that workers, after having worked for 25 or 26 years and never having collected a red cent from a system they thought was there to protect them, thought they deserved to get.

• (1610)

This process of appeal goes on and on. Six and eight months later we are still proceeding with appeals.

There are communities at stake and quite naturally I speak for my own. This government says we have to cut the deficit, and that is good. We have to cut expenditures, and that is good. We have to cut transfer payments, and that is good. We have to cut eligibility for UI, and that is good. We have to cut VIA Rail, and that is good too. We are cutting inflation, and that is good too. We have to wrestle inflation to the ground. We have to maintain a high Canadian dollar, beyond the belief of everybody, including the allies of the government.

Nobody believes this high dollar policy is sensible or practical or makes any sense economically, fiscally, or any way. It is literally draining the lifeblood of the manufacturing base of this country. The Algoma Steel Corporation in my community talks about if the dollar was lowered we would have a chance. We would have a chance to sell some steel in the U.S. markets. But in the very next breath they say that even with a lower Canadian dollar the free trade agreement precludes us from selling steel into the United States.

The present penetration of U.S. steel into Canada is now about 15 or 17 per cent. That is five times what it was before the free trade agreement. A lower Canadian dollar would help, but it is not the sole solution to a major problem.

Cut all of these things. Cut the deficit, cut expenditures, cut transfer payments, cut eligibility, cut VIA Rail, cut inflation. But is it good when you cut a community off at its knees, bring a country to its knees? Does it profit a government to do all of these things if, in the end, there is nothing left to cut? There is no industry, there are fewer businesses, there are fewer employed, there is less tax to be collected. Even if the government's policy was sound, we are doomed to destruction. Everything is great, all of these things are wonderful, but if there is nothing at the end of it, what good have you done? You have wreaked economic disaster upon the country.

When the final cut is in, and that is all this has been, everything that comes forward is a litany of cut, cut and cut, and very little has escaped the swath of the cut.

So what then? What about a year from now if its policies have worked, and there is nothing. There is a vacuum in many constituencies, not only Sault Ste. Marie. It may have won a battle over inflation, but it has won a war over the people of many communities in this country.

If I could digress for just a moment to mention the GST. The revenue minister says Canadians are overtaxed. The finance minister said no, they are not overtaxed. Many of the backbenchers on the government side say yes, they are overtaxed. The revenue-neutral GST collected $400 million more than anticipated in the first three months of 1991. Canadians say: "Thank God it is a recession. The amount would have been doubled if there were good times". There is some suggestion by many members from the government that we are over-taxed. Well, give everybody a break. What better time than in a time of recession? Give them a break. Say: "We are going to cut this down to 5 per cent, and we can still get ahead with our preoccupation with deficit reduction". You could cut it to 5 per cent and make some people happy. Be positive. That's all Canadians are looking for. A little bit of positive initiative from this government.

It may denigrate what the Ontario government has done, and it suggests, before the budget, when are the New Democrats going to come forward with their promises? They are not carrying through with any of those promises. So when they brought forward the budget and came through with some of the promises and some of the spending, it said they are spending too much. Well, you can't have it both ways.

What does the government want? Does it want the promises or does it not want the promises?

My community is very, very thankful and grateful for the initiatives that have come forward from the Ontario government. Twenty-five million dollars has come into our community and they are happy. And the only people who are unhappy in Toronto are the folks on Bay Street who finally got an opportunity to demonstrate, and we are happy for them. They got out of their offices, where they have been cooped up for all those years, and said: "We are going to demonstrate". And it was great to see them.

And how about "Fax Floyd"? "We are going to fax Floyd and tell him we don't like the budget". Well, I think the Treasurer of Ontario had a great answer, he is more concerned about the people who don't have fax machines.

So we are happy that some people are upset. And just this past weekend I read where some of the folks who don't like the budget have rented an office in downtown Toronto, no doubt a very expensive office, and said: " We are going to stay here and fight that Ontario budget until the New Democrats are gone". Again, that points out the illegitimacy of what these people are saying. Certainly the poor people of this province couldn't rent a room in downtown Toronto and try to turf out this government, because they couldn't afford it. They would have to meet in somebody's basement somewhere, which is probably better, at any rate.

Of course, I had mentioned when the Prime Minister went to Japan that he got into a cab and the first thing the cab driver said in Tokyo was: "What about that Ontario budget? Isn't that terrible!" He didn't mention anything about the federal budget but he was preoccupied with Bob Rae's provincial budget. Surprise, surprise. It seems that everybody is preoccupied but I am not so sure the people of the province are that preoccupied. I know the people in my constituency are not that concerned. And if they were concerned I am sure they would be calling my office, as they do with many other complaints, but one of them has not been the Ontario budget or the deficit.

It has created work in the community and in the province. We appreciate, we really do appreciate, that the deficit is a problem. But we cannot fight that deficit right now, we cannot afford cuts in transfer payments. When hospital beds are being closed, cut out of hospitals, when there are layoffs, fairly substantial layoffs in education, despite the increase of transfers from the province to the municipalities, one just cannot afford it, it is impossible. Because, as the finance minister said, there is only one taxpayer. And if the federal government continues to squeeze at the federal level, it comes out at the other end, if we want to try to maintain services. There is only so far you can go with a cut-and-run mentality.

I suggest that Canadians are willing to pay their share, even more than their fair share, when the time is right. The time is not right at present. This kind of budget is the wrong budget at the wrong time. We have a couple of choices; cut and run, as this government is doing and taking away federal presence across the country.

• (1620)

I had the privilege the other night of speaking to the At and East, a topic about which I knew very, very little, until I stayed here for three or four hours and listened to other speakers and found out the illegitimacy, the illogical reasoning behind it, that it would cut out $35 million in subsidy and preclude $40 million in revenue.

Somebody just made the decision and said: "Well, we have to cut somewhere. Let us take a look at this At and East, it has been round since 1966. There is a good one to cut".

So the choice is, cut and run, or stay and fight. I think this government has cut and run and has removed federal presences across this country. The Ontario New Democratic Party has chosen a different path and I believe it is the appropriate path.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, I listened with great interest to my hon. friend for Sault Ste. Marie. I must say he leaves me somewhat bewildered by some of his remarks.

Before I raise a couple of questions—and I will be brief—I just want to correct something he said. He quoted the Minister of National Revenue as saying that Canadians are overtaxed or taxed too much. Perhaps he was not in the House when the minister corrected the record.

The remarks the minister made were with respect to the gasoline tax. He felt that Canadians were over-taxed or "taxed to the limit", I believe is what he actually said. He did not say that in general. He made it perfectly clear in the House. If my hon. friend was not here to have the record set straight, I do it for his benefit now.

I could comment on so many things that my hon. friend said. I think he had the same speech writer as the hon. member for Surrey North earlier. They should be jointly put up for the Governor General's award for fiction for some of the things they had to say.

One of the two questions I specifically want to ask him has to do with the Canadian Jobs Strategy. He laments the cut in this budget of $100 million related to the Canadian Jobs Strategy. I recall over a year ago touring this country with some of his colleagues on the C-21 committee when time and again, day after day as we went from city to city, I heard them say that the Canadian Jobs Strategy was a waste of money. They said that the training provided was a waste of time and energy and it did not contribute to people at all. Now that there is a 3 per cent cut in the budget, all of a sudden it seems that the views of the NDP on this have changed. I wish he would explain the apparent contradiction.

The second thing has to do with the business of taking things to court. If I understood my hon. friend correctly, he is lamenting the fact that the government sees fit to use the courts to set things right. I believe his own party has initiated actions in the courts against actions of this government with which they disagreed. Is he suggesting that it is only proper to use the courts if the action is against the government, or would he want to suggest that all Canadians have the right to see that justice is done and that indeed the legislation is carried out as it is supposed to be?

Mr. Butland: Madam Speaker, as far as the Minister of National Revenue is concerned, I think he is on record as having clarified his statements day after day after day. I know when he was concerned about the traffic over Sarnia-Port Huron, he said: "Well, if there is too much traffic on the bridge, let us build another bridge", which dismayed just about everybody, especially the senior staff with him. I am not surprised that the minister would say something that was quoted verbatim and then the next day spend a great deal of time trying to clarify it.

The member does not cite any particular members with respect to the Canadian Jobs Strategy. Although he is a very honourable man, perhaps he might misquote some of my colleagues in those committee hearings that were held across the country.

I suggest that if training moneys are strategically spent, they can be well spent. I can understand that they can be misplaced. I have seen that situation in my own riding. It is very difficult because I have not had a hands-on approach to that situation until very, very recently. It is very difficult to have the federal and the Ontario government to complement job training programs. I think that is an extremely important initiative.

The one that really upsets me that the member talked about is the court system. Out of context what he suggested—and I am only talking about a very narrow focus to my concern—was the Federal Court had suggested that the workers had won at an appeal stage, a referee stage. They won it at an umpire board. They won at the federal court fair and square. Everybody said: "These workers deserve UI payments". And the government said: "Well, we do not care about all of those rulings. We still want to ensure that you do not get it, that we are not convinced that this is appropriate".

I do not have the time to give the background of it, but it was absolutely appalling. What they wanted to do was to divide 4,000 steelworkers into 2,000 that would get benefits and another 2,000 that would not. This effectively pitted one group of workers against another one, partner versus partner, colleague versus colleague, co-worker versus co-worker. It was an abomination of a system.

Let me finish the story, Madam Speaker, because eventually we won the case. We harassed and cajoled the federal government: "Look, this is something you have to do". And it told me: "Okay, we will pay the workers, but you cannot tell anybody. If you make an announcement, we are going to take it back". The very audacity of saying: "Okay, we will pay you, but let us pay it out quietly, okay? We do not want the news to spread because maybe a worker in another riding might hear about it and he might want it too". I said: "No deal. We are announcing it and, if you want to pull it back, that is your business". They did not.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I note the hon. member in his very capable speech spared us the usual rhetoric that we get from members of his party. In that respect I want to congratulate him. I think it was a most worth-while contribution to the debate, and in large measure we can agree with what he said and his criticisms of the government's policies.

I particularly want to indicate agreement with his criticism of the cuts that the government has instituted and the lack of any imaginative method of dealing with the problem of the federal deficit which the government has created through its own inactivity over the last seven years. I know that he would agree with me that had the government shown a bit of initiative early in its mandate, it would not find itself in the position that it is in today where it is having to meet interest payments in excess of $30 billion a year.

Having said that, I know that the hon. member shares my concern that a very large national debt is the thing that has put the government in its present position where it has to make these staggering interest payments. He knows as I do that the Government of Ontario, which I know he supports, has recently announced a program that is going to put the province of Ontario in precisely the same position in another four years. I believe the recent budget announced in Ontario, which had no new programs in it, increased the deficit to such an extent and proposes to keep it increased to such an extent over the next four years that it will in that time double the provincial debt.

Does he not agree that the disastrous policies pursued by the Conservative government for the last seven years are exactly the same policies now being pursued by the socialist government in Ontario? Does he not think he should be critical of that government for pursuing such shortsighted and really silly policies?

Mr. Butland: I thank the member for his positive comments. No doubt his questioning was facetious because I know that there is not rhetoric spouted at all to the left of the member.

The Liberals both provincially and federally have no reason to comment whatsoever. At least I give them their due. We know members opposite know what course they have, at least for these couple of years, but we are never quite sure what is the position of the party which the member so capably represents.

• (1630)

You compare New Democrats with this government's fiscal policy. Where were you? You created this mess. You are the authors of this mess, and these people are merely continuing what you initiated.

An hon. member: A double standard.

Mr. Butland: Again I go back to the policy of the Ontario government. We started off with a $3 billion deficit, and just to keep the *status quo*, we had to get up to a deficit of $9 billion. And you are criticizing us for that. You are saying that is terrible. So on one hand you say that is terrible, and yet on the other hand you are saying there is nothing new about it, that we should have created some new, positive initiatives. Well God forbid if we had gone to $11 billion or $12 billion. What would you have said then?

The Liberals always want it both ways. They say they do not like it this way and they do not like it that way. We know what you like, let us go down the middle, that is what you like.

[*Translation*]

Madam Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Center—Aboriginal Affairs; the hon. member for Edmonton South-East—Passes for convicted persons; the hon. member for Eglington—Lawrence—Taxation; the hon. member for Halifax—Port of Halifax; and the hon. member for Prince George—Bulkley Valley—The Environment.

Resuming debate. I recognize the hon. member for Ottawa West.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Madam Speaker, the debate today reminds me of an occasion a couple of weeks ago when I was out speaking to a group of people who had immigrated to Canada in the last six or seven years. They were from all over the world. They were from Iran, Ethiopia, Nicaragua, El Salvador, Cambodia, Vietnam, and they were telling me they were having a hard time understanding why we have a government that keeps destroying things instead of building things. That certainly is the most appropriate way of describing this bill. Fiscally, socially and culturally, this bill continues the program of destroying much of what is good about this country, much of what we are proud of about Canada, much of what makes us the envy of the world.

I am reminded as well of Lucy and the football. You know, we see the cartoon every fall in *Peanuts* where Lucy holds the football. Charlie Brown is supposed to kick it. She promises him every year that she is not going to pull the football away. He is not going to fall flat on his face or his back. And every year he falls for it and every year she pulls the football away. It seems to me that is the kind of promises we have had out of this government for the last seven years. It seems to me that with every budget we have had more intense rhetoric about the deficit and the debt, while the deficit and the debt continue mounting, despite relatively prosperous economic times for the last half dozen years.

In every budget, every throne speech, we have promises about getting rid of the deficit and debt. We all have to handle a little bit of pain so that that can happen, and in the end things are going to be better for our children.

Madam Speaker, it never seems to happen. The deficit does not seem to go down and the debt keeps going up. And yet we still have to handle a little bit more pain, a few more cuts, to the point where we are losing some extremely valuable programs in this country. We are also losing our ability to be strong and competitive in the coming decade and in the coming century, and to be a prosperous, healthy, fairly egalitarian and just society.

Canadians have said very clearly that what they want is strong national programs, national standards across Canada from sea to sea to sea, because after all, that is what this country was built on. Let us have a nation from sea to sea to sea, where people enjoy common standards, common benefits, equality regardless of where they live in the country and where they are socioeconomically.

We have to ask the question: with all this pain is the government saving money? No, it is not, it is just transferring government spending to other levels of government. I have sat at the other end of that spectrum. I have sat at a municipal council. It is happening all over the country right now where the pain and the hurt of your people becomes evident. So even if the senior levels

of government are cutting back on health care and social services, deinstitutionalizing to save money, it is the community which ultimately ends up with people sleeping in the streets and sleeping in garages overnight. The community ends up providing the food banks, the emergency shelters and the extra little bit of money to help people make it through to the end of the month without starving. So we do not save money, we simply transfer it to a level of government that is least able in fact to carry out these programs.

Cuts in transfer payments and federal revenue sharing are changing a structure of the country, changing a structure of the Canadian federation through the back door. More of the spending obligations are being transferred to provinces and municipalities where the ability to pay for programs is less than it is at the federal level. The national ability to set standards and criteria is being diminished entirely.

Medicare payments, social service payments and the ability of local communities and provinces to deliver child care are being cut because the government is not meeting its contract. It is not meeting its obligation to share those costs and all we are doing is hurting the poorest, the most disadvantaged and the poorest regions of our country. We are not hurting governments, we are not hurting politicians, we are not hurting bureaucrats. It is people who are being hurt; it is the one million children living in poverty in this country, the same children who, when they are poor, suffer twice as many deaths from accidents, traffic accidents, homicides and suicides as do children of wealthier families. These are also children who drop out of school at four times the rate.

This bill before us, cutting the federal government's share of our social obligations across Canada, is going to make those statistics desperately worse. Children are going to be poorer, women are going to be poorer and people with disabilities are going to be poorer. The poorest parts of our country are going to be poorer because they are the ones that can least afford to provide the services that people need.

We talk about medicare. Americans are up here looking at our medicare system. I heard one speaking on television just last week saying: "We are up here to find out what you are doing because you are able to deliver medical services to all your people better than we are and cheaper than we are." They are paying far more for medical services in the United States and there are 30 million Americans who have no medical coverage whatsoever.

Unemployment insurance. Well, we are told we have to bear some of these difficulties because we are fighting inflation. Then what the heck is the government doing increasing the unemployment insurance rates by over one-third since the beginning of last year, if it wants to fight inflation? Why is it telling the same people who are being told they are not going to get any salary increase this year that they will have to pay $204 more if they are earning approximately between $35,000 and $40,000. They will be paying $204 a year more for unemployment insurance. They will not get an increase in their salary but they will be expected to pay more to the government for unemployment insurance.

This is entirely contrary to promises made by the Minister of Finance when he said that the government will continue to contribute to the financing of the program in difficult economic times. Well if this is not difficult economic times I do not know what is.

We had 1988 election promises that benefits would go up and premiums would come down and exactly the opposite has happened.

An earlier speaker this afternoon said that none of us in this House had addressed the question of restraint on member of Parliament salaries. I do not think there is one of us who does not agree that if there is restraint we should start with restraint on ourselves. But that is not what the government has done. Those people it has appointed to very highly paid positions, sometimes over $500,000, are still getting their increases while women and other people earning under $20,000, and most earning under $20,000 happen to be women, are getting no increase from this government this year.

• (1640)

In this bill, the government very carefully did not make its own salaries subject to the wage freeze this year, the freeze that it is imposing on the other quarter of a million people who work for the people of Canada. It will come in next year when it is talking about a 3 per cent increase, not this year when it is talking about a wage freeze.

The government very nicely protected itself from the same restraint it is imposing on everybody else.

I want to close with one thought. Perhaps what the government should think about is getting people back to work. What would happen if those 1.5 million people who are unemployed were not drawing unemployment insurance or social services in their local communities but were working and paying taxes. What would even a 1 per cent drop in the unemployment rate do for our deficit in this country?

Instead of restraining spending like this, destroying medicare, destroying unemployment insurance, destroying our social programs, what this government should be doing is concentrating on getting people back to work and contributing financially to the debt and the deficit reduction.

Perhaps then we would see some solutions to our problems instead of continually exacerbating and expanding problems for the majority of Canadians, such as the continuing growth of disparity between those who are rich and those who are poor to the point where some who have will be able to get good medical care and some who have not, will not.

This is a disastrous bill that touches all those things that link and hold this country together in a sense of common purpose. It is a disaster for Canada, and the results will be in effect long after this Parliament is not.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Madam Speaker, I listened with care to my hon. friend's remarks even though I was outside for part of the time.

It seems to me there is a fundamental difference in the philosophy on that side of the House and that on this side of the House. The philosophy over there is that creating work and creating jobs are the same thing. You put as many people as you can on the government payroll, and then you let the circle of expenditure go along.

Unfortunately, what that philosophy did for this country was get us in the financial mess that we are trying to clean up on this side of the House. When that government over there left office, it was spending $16 billion a year more than it was taking in, notwithstanding the national debt and the interest on the national debt.

This government, along with most Canadians, believes that unfortunately you have to pay your bills. If the government of the previous party in power had had that philosophy, perhaps we would not be in the situation we are in. The opposition talks about gutting medicare. It talks about cuts, cuts and cuts. Guess why it is there. It is there because we have $43 billion of interest to pay annually on the national debt.

Thirty six cents of every dollar collected by the Government of Canada goes on interest charges. If we do not get a handle on that, where will that leave us in the future? If spending had continued under this government as it had under the last government, which left a $38 billion deficit, today the deficit in this country would be $99 billion.

What programs would we be able to support with that amount of money? Indeed, would we have the authority to run the country? Would the International Monetary Fund have come in and taken over?

Does my hon. friend not think it is an important thing for governments to act in a financially and fiscally responsible manner? Does she think it is okay to endlessly allow deficits to grow and mortgage the future of our kids with debt charges and a national debt that could never be brought under control?

Mrs. Catterall: Madam Speaker, I certainly do. That is why I condemn this bill and this government for its fiscal policies which will deliberately put 12 million people in this country out of work this year.

Is having people unemployed any way to bring down a debt and a deficit? The government has done everything. The member opposite has exactly outlined why we charge this government with fiscal irresponsibility. He stands there and admits that 36 cents out of every dollar is going to pay interest on the debt and then wants this country and this House to believe that this government is responsibly managing the finances of the country of Canada.

At least eight years ago when there was a deficit it was to provide programs for Canadians. It was to keep people working. It was not just to pay interest on a debt which the Conservatives have allowed to more than double since they came into office over seven years ago.

We do not build the strength of this country and our ability to be economically strong by diminishing the health of Canadians, by diminishing the opportunity of children to have a good education so that they can prosper and contribute to this society in the long term. We do not do that by letting children go hungry, by letting people go homeless and by letting people have health care only when they can afford to pay for it.

The member opposite has obviously forgotten that there was a time in this country when people had to decide whether they could afford to take their child to a doctor, whether they could afford to have an operation that was needed to save their lives. Those were the days before medicare. Those are the days I remember when I was a child and those are not days that I want to see in this country for my grandchildren.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, before the fat cat from South Shore made his phony intervention my colleague from Ottawa West was completing in a very thoughtful manner her analysis of this bill which reads: an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991.

Behind these harmless looking words there is some very dangerous substance that ought to be put forward and explained to the Canadian people.

This bill, I submit to you, reveals the real cruel agenda of the Progressive Conservative Party with respect to its long-term intentions in this country and, in particular, with its intention on medicare and post-secondary education.

To make it worse, it has the ability through the budget speech of last February to couch its language in a small *l* liberal manner so as to make it appear actually what it is not, to make it appear as something liberal and progressive. However, when given the chance to analyze this bill more closely, one can see that it hides something profoundly regressive and something that no backbencher of the Progressive Conservative Party would dare to defend on the hustings at the next election.

It is so well put that it has to be put on record once again what the well-known Canadian writer, Gratton Gray, wrote in *Policy Option* very recently when he spoke of this government's social policy by stealth. He said:

> The social policy by stealth relies heavily on technical amendments to taxes and transfers that are as difficult to explain as they are to understand and thus largely escape media scrutiny and public attention. It camouflages regressive changes in the rhetoric of equity in an attempt to convince Canadians that tax increases are tax cuts and that benefit cuts are benefit increases. By further complicating an already complex labyrinth of taxes and social programs, the stealth style of policy-making confuses the electorate and so insulates itself from criticism. The Conservatives record on social and tax policy constitutes a variation of Newton's third law of motion. For every positive action there is an equal and opposite negative change. As a result the goal of a fairer, simpler and more rational system of taxes and transfers remains as distant as ever.

It could not have been put better in describing the bill before us, Bill C-20.

• (1650)

Who is hit by the measures proposed in this bill? Who will suffer under it? Obviously, it will be the people who are least able to defend themselves, those working at minimum wages, the family led by one parent, those who are on low fixed incomes, all the people whose well-being depends on the capacity of having access to adequate health care. They may not be affected today, nor perhaps next year as the charts would reveal, but just give it a little time, two, three, four, five years from now. What kind of Canada will emerge as a result of these measures when they are fully implemented downstream?

It will be a patchwork of Canadian health and post-secondary educational services whereby the provinces which can afford it perhaps will be able to maintain certain standards and others will gradually fall behind.

Who will benefit, as the member for Ottawa West has pointed out so well? Those who will benefit will be the fat cats in our society, the rich people who will be able to insulate themselves from the impact of this measure. In other words, it is a classical example of Progressive Conservative policies put into place and disguised behind fancy language, using actually Liberal language. That is what is so annoying about this particular approach.

I would like to draw the following to your attention. Between now and the year 2000 as a result of this bill, $97.6 billion in federal support will be vanishing, putting a squeeze on both medicare and post-secondary education. This is almost $100 billion. To be more specific, the forecasts that have been carried out show that the last federal cash payment for medicare and post-secondary education, when it will still be available in certain have-not provinces in the year 2008, will be $238,000 to the Yukon. In the following year not one cent of federal cash would go to any province or territory.

In the case of Quebec, the cash payment will disappear by the fiscal year 1996–1997. Madam Speaker, you may want to remember that on the hustings during the next election campaign.

Cash payments to the province of Ontario will be gone by the fiscal year 2002–2003.

As for the rest of the provinces and territories, they will lose all federal cash for medicare and for post-secondary education a few years after Ontario. That is the picture that emerges when this measure will be in place a few years downstream.

Therefore, the question is to imagine how Ottawa could maintain its legislative presence with the five principles of medicare once federal funds for medicare have dried out. What will happen is that Canada will become a hodge-podge of provincial and territorial programs with different medicare systems, and everybody unto himself.

The changes proposed in this bill have the potential to undermine the full range of federal transfer payment programs. To this point I have dealt with post-secondary education and medicare.

The federal government, as a result of this bill, if and when it wants, will be able to withhold transfer payments from equalization payments to territorial financing, to grants in lieu of taxes, to public utilities income tax transfers, to statutory subsidies, to the Canada Assistance Plan, to crop insurance; to payments in education with respect to official languages, to miscellaneous health and welfare programs, to young offenders services, to justice and to transportation.

It is impossible, even in the limited time available, not to make reference to the fact that in the budget speech the Minister of Finance announced that he was soaking employers and employees by an amount of an additional $2 billion by way of increased premiums, this at a time when unemployment is in the area of one and a half million. In that budget document we were not able to find one reference to measures to relieve unemployment, to deal with unemployment, to establish policies to create jobs. Would you not expect, at a time when one and a half million people in Canada are unemployed, that the budget speech would address the situation of the unemployed, that it would attempt to kick-start the economy in the badly hit regions so as to provide relief?

That is not what has happened. Unfortunately, Madam Speaker, you are indicating to me that my time is over. I will therefore have to restrain myself from indicating how the Government of Canada is squandering taxpayers' money with its ill-conceived defence policies, particularly by insisting on maintaining its troops' presence in Europe at the present time. That will be for another occasion.

Madam Deputy Speaker: As we will be resuming debate now, I would like to advise the House that the first 12 hours are now completed so all speeches are to be 10-minutes with no period of questions and answers. Resuming debate.

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, with the limited time before us now I would like to restrict my remarks to just one area of the legislation that is before this House today. By restricting the area on which I wish to speak I do not mean to minimize the other important aspects of the legislation, mainly as it affects the amendments to the Parliament of Canada Act, or to minimize the effects or my interest in the changes as they affect the role of unemployment insurance, that will be taking effect if and when this act passes.

Those changes will greatly affect the amount that small businesses in this country will be forced to pay to support the unemployment insurance plan and also the tremendous increase—I think it is approximately 24 per cent—that every employee who is lucky enough to have a job in Canada today will be forced to pay in order to supplement the unemployment insurance fund. That fund was, up until this period of time in the history of Canada, the responsibility of the government. It is a responsibility which the other side of the House has chosen to ignore. It has placed the burden of the responsibility for insuring wages in this country squarely on the back of every employer and every small businessman in the country when they can least afford to pay for those increases.

• (1700)

I would like to address another very critical issue that this legislation is bringing forward and how it affects the national health program in Canada.

We are all involved today with the constitutional debate and the unity debate. We all know that section 92 of the Constitution Act gives the responsibility for the delivery of health care to each province in this country. As in education and in other areas, the responsibility for health and the delivery of a system of health care within Canada is strictly on the provinces. Through transfer payments in this House, we take federal tax money and give it to the provinces. As a result of giving these funds to each province in this country, we can then set conditions on the availability of those funds. As a result we in effect have usurped the responsibility for the delivery of health care in Canada from the provinces and because of the restrictions we place on the transfer payments, we have taken over responsibility, but not complete responsibility.

If a province chooses not to accept those funds, as we saw a few years ago, then it can carry on with its own delivery of health care. With this method of transfer payments we could very well establish within this country several types of health care delivery systems. This is contrary to the very essence of what we in Canada have come to understand and accept as a universal plan for medical care for every Canadian who lives in Canada.

I am amazed, as I listen to this debate, that we have not yet addressed one of the key problems that will be created as we diminish and lessen the amount of transfer payments to each province. The people who built this country are going to be affected. I would like to speak about how it is going to affect the senior citizens of our country.

There are some of us in this House who are gradually approaching that age when we will become senior citizens. I do not refer to you, Madam Speaker. I refer to some of my colleagues who circle around us.

I want to talk about how it will affect seniors. What right has this government or any government—whether it is this government in power today or any future government, which I assume very much will be a Liberal government, or any provincial government in this country—to interfere with the fundamental right of all citizens? It is a right that has not been given but one that every citizen in this country through their dedication—some who have come to this country by choice and some who have worked in excess of 40 years—has earned. It is not a privilege. It is an inalienable right of every citizen in this country to expect a universal health delivery system that is not subject to any restriction.

Let me rephrase that. It is the inalienable right of every citizen in Canada to be able to accept and expect a universal health care system that is not subject to any restrictions whatsoever. I think it is the responsibility of a federal government to ensure that this federal system of health delivery maintains that important aspect.

Now the people who are put in jeopardy, as my friend from Toronto just said, are the people who can least afford to pay for that service, the poor of the country. I want to talk about, in my remarks today, the elderly, the senior citizens of this country. We should not even be discussing the fact that in the future, they may be responsible for the payment of what is called a "user fee" to pay for the costs of health care within this country.

In 1988 and 1989, there was $23.9 billion spent in Canada by the provincial governments for health care. Tax transfer—and that is a subject for debate today and the subject that this government is trying to cap—was $6.6 billion, federal cash outlays were $8.2 billion, municipal spending was $0.6 billion, and private spending was $14.8 billion. That all totals up to the tremendous amount of $54.1 billion spent on the delivery of health care in this country. I think the federal government has a responsibility to ensure that this money is not only spent wisely, but spent frugally, with care for the responsibility of every citizen in this country.

I get very upset when I hear that money in health care is being wasted—and I think about the $500,000 that just recently went to some United States agency for one individual. The federal government should show leadership in health care, especially for our senior citizens. It should ensure that funding for a health care program in this country be spent with some wisdom. It should ensure that within this country of 10 provinces and two territories Canadians are not subjected to a user fee or hospital fee and that money that is collected is spent for the best interest of every Canadian.

An hon. member: Hear, hear.

Mr. Comuzzi: I thank you for the opportunity of making those remarks on behalf of the senior citizens in Canada. I am sure they will look very seriously at what this government has done at the next federal election. They were promised that their benefits would not be touched and we had the clawback. They were assured by this government that the medicare would not be touched and now we have this bill before this legislature. So on their behalf I speak today, Madam Speaker.

Mr. Howard McCurdy (Windsor—St. Clair): Madam Speaker, as did my Liberal colleague, I want to limit myself in my participation in this debate to a specific area, and that has to do with transfers to the provinces. I will not concern myself with the changes that are going to affect medicare or general social programs through cuts in Established Programs Financing, as well as the Canada Assistance Plan. I would like to make a few observations on the issue of Established Programs financing as it affects post-secondary education.

I am sure you will recall that when this government first came into office our concern at that time was that the provinces were not delivering their fair share of funding to the universities as compared to what the federal government was doing. At that time they were arguing that we should have assured levels of financing for the universities, that there should be a guarantee of provincial participation and that some effort at negotiations should be entered into in order to bring that about.

• (1710)

The issue has become dramatically more important, as others are beginning to recognize. Almost everybody now is beginning to recognize that the real creation of wealth comes from the mind, from creativity and from innovation. In that context there are two significant components to economic development as all recognize now; education and training on the one hand, and science and technology on the other.

We are at a stage where it is perfectly clear that we must enhance our national literacy, our national education and our national training in order to bring about the kind of economic development that will put Canada into the 21st century.

Unfortunately, as we look at what has been happening since, we cannot be encouraged. At this stage of the game we observe that the changes in the funding mechanisms that were brought about in 1977 with the Established Programs Financing let loose the provinces from their responsibilities of paying a fair share, then estimated at 50 per cent for post-secondary education. The Liberal government at the time not only changed that formulation releasing the provinces from their obligation, but as a result of changes which were described as the six and five per cent change and other changes brought about by the Liberal government, some $5.7 billion was not delivered to the post-secondary system. Even when this government came into office, the university system was feeling the pressures already from under-funding.

What has happened since? In 1986 this government passed Bill C-96. This was the first attack by the Conservatives after vigorous attacks by the Liberals which set the escalator of the Established Programs Financing at the change in the Gross National Product, minus 2 per cent. That cost the system a considerable bundle of funds, but to make matters worse, in 1985 Bill C-69 was passed. This bill increased the deduction from the rise in the Gross National Product that would be delivered to Established Programs Financing so that we would have the change in the GNP minus 3 per cent. Not only that but with Bill C-69 the Established Programs Financing was frozen for two years. Now we have Bill C-20 which escalates the attack on the university system. Bill C-20 freezes the Established Programs Financing for another three years.

The effect of this is $13.8 billion in accumulated loss which has been brought about by legislation and budgetary action by this government at a time when almost everybody says that education is of immense importance. The government in the throne speech described a number of educational goals, not the least of which was to double the number of graduates in science and engineering. It said it was going to increase by four-fold the number of workers who were trained. It said it was

going to abolish illiteracy. It said it was going to increase the number of graduates from high school.

The government uttered all these platitudes about how important education was and the Prime Minister said he was going to make every effort to make it possible for every young person in this country to have the educational weapons necessary for economic survival.

Yet time after time after time since his government has been in office, just as did the government before, it has cut its commitment to post-secondary education. This in spite of the fact that people have become convinced of the importance of education, including post-secondary education, to the extent that 93 per cent of Canadians agree that the federal government should maintain and not cut its role in the financing of post-secondary institutions.

Two-thirds of those polled supported increased funding for post-secondary education. Yet this government persists in substituting words for actions and causing severe damage to the system.

All one has to do is look at Memorial University. It is cutting programs and cutting staff. You can look at the University of Calgary and the University of Alberta where they are cutting staff and programs. You can look at Mount Royal College in Alberta. My God, because of the increased costs of tuition and living, there is a food bank for students. All over the country libraries are deteriorating and students are lacking access to the system. A special program for access to engineering at the University of Manitoba is going to be cut because of under-funding. Tuitions are being increased by 10 per cent, 15 per cent, 20 per cent per year to the extent that students are now constantly paying out increasing proportions of the cost of post-secondary education while the contribution of this federal government decreases steadily.

This is supposed to be a government that understands the importance of knowledge to our future economic growth. This is a government in which a member can stand up and say: "Oh my God, I talked to some young people and told them they are going to have a $15,000 debt which they are going to have to pay when they grow up because of the actions of their parents." What the member did not say last week was that those young people to whom he was talking are unlikely to be able to afford that $15,000 because there will be no jobs. It means that the deficit is going to increase.

The deficit increases for a number of reasons, but not the least of the reasons is the failure for adequate economic growth. If you do not have people who are earning an income and you have to pay social costs, then you are going to have an increasing deficit because you are not going to have the revenue from the wage earners or the corporations. After all, in this modern, economic context, the Canadian situation is such that if we do not change things pretty quickly, the deficit is going to grow and grow because nobody is making any income or many profits to pay those taxes.

The reason for this is that this government has not understood that you have to do something to control the deficit, but you had better mobilize the resources, the human capabilities and the opportunities that people need for learning in order to make the economy grow so that you can eliminate that deficit.

Bill C-20, as with so many actions of this government, takes the wrong path. If this government continues in power we are doomed to more and more words while more and more damage is done to a post-secondary system which will be unable to meet the challenge because this government has failed not only that system, but our people and certainly our children.

Mr. Hockin: Questions or comments, Madam Speaker?

Madam Deputy Speaker: No. The first five hours have elapsed. We are now on debate.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I guess the minister has forgotten about the Draconian, undemocratic process you have instituted in this House which does not even allow us to talk at any great length about the serious issues that face this nation. We just all have to talk in very superficial terms.

While it is a privilege to rise in this House and talk on behalf of my constituents of Mount Royal and on behalf of a lot of people across this land, I do so today with a great deal of concern and regret for a government action which is so regressive and found in this Bill C-20, a bill to implement the 1991 budget. It is a bill which is trying to remove this government from its area of traditional jurisdiction and traditional responsibility and, in particular, increasing the pressure on our already strained

higher education, health situation and health education and programs under unemployment insurance.

• (1720)

Certainly, I meant to include the medicare system of our country. It is doing so by limiting provincial transfers until 1995–96. This is a very tricky, hidden way to to impose a social structure that is totally against the Canadian way of life. The debate goes to the very heart of what this government is doing wrong as it undermines the fundamental social contract of this land. It abandons our goal for a much more just society in the name of the deficit, which is important.

The choice of action this government has taken ignores the principles of the Canadian approach of pursuing the twin pillars of economic opportunity and social justice that have always been the hallmarks of Canada and the Canadian way of life.

The Canada that has been so renowned around the world is being struck. This is why Americans are now studying our health care system, which is far less costly than theirs and serves all our people, while their system does not even serve 37 million of their total population. Yet this government seems bent on demolishing this fundamental fact of Canadian life.

We see every day in the streets of my Mount Royal riding, in the community centres, in the food banks, the images of hunger, the images of great social needs going unmet, of middle and upper income executives who no longer have a job, whose self image has been destroyed, whose sense of self–worth has gone down the tubes because of this government's unenlightened approach of dealing with this deficit. Yet, this government goes merrily along and introduces bills and takes steps like today's saying: "We cannot do any more. Our hands are tied. The deficit is far too important. We would love to help, we just cannot afford it". I say the question has now become: "We just cannot afford not to help". This government does not understand that it takes economic measures as well to make the deficit shrink.

Noel Alexander, the president of the Jamaica Association in my riding, brought to my attention that 67 per cent of the unemployed Jamaicans in Montreal are young people between the ages of 18 and 25, a figure that disturbs me no end.

Thousands of jobs have been lost in my riding since the free trade agreement was signed with the United States, in textiles, in clothing, and in food processing. The high dollar and the high interest rates have closed many, many more plants. This government goes right ahead at this time of great recession without any care. It has destabilized this whole population.

It has introduced a goods and services tax. The Department of Finance now tells us the Minister of Finance did not have a clue as to what he was doing. He has indicated that the GST has collected in the last fiscal quarter $400 million more revenue than was estimated. That is $400 million on a base of $1.8 billion, which this government has collected. That is 25 per cent more money than was anticipated out of the pockets of Canadians. No wonder they are having problems. No wonder they are going to cross–border shopping. No wonder they have no money to buy food and have the normal lifestyle we expect as Canadians.

All during this time, new Canadians have been coming into our riding, new Canadians have been coming in across this country, notwithstanding the fact that there are long waiting lists, and Al–Mashat got in first. Like any other people, they want desperately to work and earn their fair share of the Canadian dream. However, the recession has erased the few jobs that were left and the students entering the summer job market are in a very sad way. The government has cut over 15 per cent of the funding in my own riding that was to help people find summer jobs.

Look at what is going to happen to tuition fees, taxes on books, all kinds of costs that are inherent in having an educated population.

The story of poverty in my riding I am sure would shock many members of this House but it is repeated right across this country. There are literally thousands and thousands of people living below the poverty line, either the working poor or those on social assistance; thousands and thousands of people, I would add, who have no sign of hope from this government: single mothers who number in the thousands, seniors who rely on sponsored in–home health care or just plain meals because their needs exceed their means.

Food banks are serving many more people than they used to serve in Montreal, in my riding and across this country. Children are increasingly having to go to school

hungry and rely on food programs at school for meals. No, this is not the 1930s.

The message today is that this government is so set on using the back door approach of technical bills like this that rarely set off alarm bells or newspaper headlines to severely undermine the kinds of social policy principles from health care to education that have always been the cornerstone of this country's social contract.

That is really what concerns us, that is why we will not be supporting this bill and that is why the government should not be cutting the debate short. The population out there can start putting some pressure on those dinosaurs across the way so we can get some things done.

We are talking about a federal government that is making these very Draconian cuts, but worse it is making them now in a very familiar, sneaky, smoke and mirrors, hidden way. As my friend from Winnipeg North Centre, who made an outstanding speech in this House, said: "The language is there that makes it look good. The language of fairness, the language of concern and the language of good management. The government knows the language".

It knows it so well after seven years of practice but it is too bad it does not start to live up to the language that it uses. The substance is just not there. The real programs and the real dollars are not behind the words.

Canadians should know what this government is doing. We are debating here very dry, very unexciting, very technical changes. It makes closer inspection of government's rosery rhetoric all the more important.

I could give all kinds of figures which would blow our minds. They would certainly upset the population just as much as Bill C–69 did. In that case the government also did not allow enough conversation or enough exchange.

Here we are seeking to undermine the Canada Assistance Plan, extending the capping on day care, on matching funds, on disability payment and on welfare payments. This is actually an attack on poverty. That is what we have out there. We are undermining equalization programs, our medicare system and our post–secondary educational system. Add to that the increase in unemployment insurance payments for employers and employees and the government not accepting its part of the responsibility.

This government is moving out of its traditional domain. It is doing the wrong thing at the wrong time, particularly at this very sensitive time with the constitutional uncertainty that is going on out there.

As we travelled across this world in our duties to learn about other countries and to exchange what can be done as the world becomes a little village, the question I am constantly being asked is: "What is wrong with you out there? You are destroying yourselves. You are destroying this country that millions and millions of people want to come to. You are structurally changing this country, fiscally, socially and culturally. You are destroying it. You are destroying the dream of millions of people".

I was in Hong Kong at the refugee camps that the Prime Minister so glibly talked about. There are tens of thousands of people in those camps who are anxious to get into Canada. They are sleeping in a bed that is the size of a queen size bed stacked three rows high. Yet, here we are tearing down everything that these people want to come to.

What is the matter with this government? It needs its goals re–examined. It needs to understand this country. I would like to take government members and dump them in central and eastern Europe, in Asia and India. They might come home, count their blessings and kiss the soil which this land is all about.

Bill C–20 is cutting provincial transfer payments on health and education. It is taking $338 million of federal money from health and education programs in 1992 and 1993 and a massive $2.3 billion out of our hospitals, medical clinics and post–secondary institutions over the next five years.

Anyone who has a brain, who has gone out there and opened their eyes knows that the country has two weights, if they look at the demographic studies. We are bringing in immigrants because our people are not repopulating this society. As a result we have a youth bulge coming up. At the top we have an aged bulge. The aged need health care delivered from the home, all kinds of housing needs and all kinds of support needs. What are we doing? Cutting back hospital care.

• (1730)

I would say that the tax increases this government is trying to tell us are tax cuts, what it is trying to dump on the provinces, are totally unacceptable. It has used the back door, squeezing the provincial coffers and, as I said, it is trying to sell us on the fact that tax increases are tax cuts and that the benefit cuts are benefit increases. It tries to confuse the population and insulate itself from the criticism that it justly deserves.

We are saying: "Look". We are saying to the media: "Start talking about what is going on out there, get the population up and angry, and let these people know what is going on. The programs it is cutting are totally unacceptable".

I will finish in one minute. I would just like to end up by saying that we are asking the government to protect medicare, to protect the ability of those with little means to attend to their education. Don't add to the line-ups waiting at hospitals, don't make people have to travel to look after their health, don't penalize the disabled or victims of violent crime. That is part of what is in this bill, if one really reads it carefully. It is totally unacceptable.

Madam Deputy Speaker: I am sure the hon. member knows that it is not with my permission but with everybody's permission. I am just trying to adhere to the rules as they are.

[*Translation*]

Mr. Douglas Young (Acadie—Bathurst): Madam Speaker, I welcome this opportunity to speak in this debate, although the subject is a painful one. To those of us who listen to Canadians, it is clear the question is not just what will happen as a result of the legislation introduced by the government, it is a matter of attitude, and for the vast majority of Canadians, a matter for concern.

I spent the weekend in my riding, and people asked me whether unemployment insurance funds would be able to respond to the needs of a society that in certain regions of our country is experiencing unemployment rates of more than 30 per cent. Who can guarantee this, Madam Speaker, now that the government has decided employers and employees will have to pay the bill?

When we visit the elderly, they, like those of us who are getting on in years, say they want a health care system like the one we have had for decades in this country. It is very hard to answer these questions, Madam Speaker, because if it only depended on government financing, the ability of the Government of Canada to pay the bills, perhaps we could say: Well, even if times are hard across the country, there is a serious commitment on the part of this government to ensure that in the future, every effort will be made to provide the same security Canadians have known for the last thirty, forty or even fifty years.

[*English*]

When people ask whether the Canada Pension Plan is going bankrupt, whether or not unemployment insurance is going to remain as a fundamental protection for Canadian men and women in the work place, when people discuss what they see happening in a number of provinces with nurses and doctors, with hospital administrators concerned about the future of medicare, it is very difficult for a member of Parliament or anyone who is sensitive to these issues to be very reassuring.

I wonder if at some point as we progress in the consideration of legislation, not just this particular piece of legislation but other legislation that is being brought forward by the government, if we could have a new statement on the intent of the government. What is its ideology?

Many people in this country voted for the government on an early issue in the 1984 election of jobs, jobs, jobs. Now we are faced with the loss of jobs, jobs, jobs. In 1988 many people voted for this government because they were convinced that, as the government put it, its people were the best managers, it had the people who could best deal with the very, very onerous task of trying to govern this country, to find sufficient funds to maintain fundamental programs and to maintain some balance between debt and income.

Deficits are not at an all-time high; they are staying at $30 billion. Our debt is at $400 billion.

I believe Canadian people have a right now to hear from the government as to what is its vision of this country in the 21st century with respect to an aging population. What assurances is the government prepared to give now similar to what Canadians were told to expect in 1988, that some of the social programs were sacred trusts?

Very few people in Canada remain naive about the problems of trying to finance the operations of federal, provincial and municipal governments. That being said, if this government is to continue on its program of changing very dramatically what Canada is all about and how Canadians can feel secure in their country, not just in terms of the Constitution but in terms of their health, loss of employment and their retirement, there is something dramatically the matter.

We have heard about competitiveness. We are talking about changes in the economic system and our trading partnerships with Canada and the United States. We know what is happening in Europe. We recognize the emerging giants coming out of Asia. There is a great deal of effort being put forward by the government in convincing Canadians that we can no longer afford the kinds of programs we used to have and that people felt secure about in terms of unemployment insurance, medicare and the Canada Pension Plan. If that is the case, then I believe it is incumbent upon this government to demonstrate its courage and its conviction that it does have a plan to deal with these kinds of programs moving into the 21st century.

I would like to issue a plea today on behalf of Canadians that the government come forward and tell Canadians what they can expect. For many years it was gospel in this country that if one was sick one received medical services. If one was out of a job, one received unemployment insurance. If one grew old one was not only eligible for the old age pension *per se* but also, for those who had participated in the work force, the Canada Pension Plan. Those were tenets, principles of Canadian life and part of what makes us different from most other nations in the world.

Surely all of us in this place have a responsibility to tell Canadians where we are going and what kind of a Canada we are going to have for the sick, the elderly and people who have made their contribution to our society.

[*Translation*]

Madam Speaker, the time has come to review the Unemployment Insurance Program, for instance. The government and the ministers responsible for introducing legislation on unemployment insurance last year gave Canadians, including workers, the assurance that substantial programs would be provided for training and retraining.

With the advent of the Canada–U.S. Free Trade Agreement, we were promised adjustment programs, and if those programs had been in place, there would certainly be a very substantial number of Canadians who would be eligible for those programs. Whether we are talking about Toronto or my own riding of Acadie—Bathurst or Western Canada, there are men and women who wonder where they should go to take advantage of training and retraining programs. Where do they go to find a job or prepare for finding a job, when they were laid off because a plant or business closed down?

The current constitutional crisis, Madam Speaker, is probably a matter of concern to the vast majority of Canadians as far as national issues go, but on the strictly personal level, there is no doubt that Canadians are worried about a rapidly changing situation. And that is why, Madam Speaker, I would not be surprised that pretty soon—in fact I was expecting to hear in the Throne Speech some echos of a Conservative vision of what Canada would be like at the end of the twentieth century and at the beginning of the twenty-first.

However, if that is not to be, I hope that we will not waste all our energy on the constitutional question, important though it may be, because if we want to renew the confidence of Canadians, we will have to chart a course that will make them feel secure.

• (1740)

[*English*]

It seems to many Canadians that the damage has been done in terms of public confidence in our programs which for many years were the foundation of confidence in this country for those people who were the most vulnerable.

I do not think it serves any useful purpose to simply berate the government or say it should not have done it. Those things have now occurred. I would like the government to address the question directly, rather than indirectly or obtusely, as to what it is going to do. For example, is the government considering a guaranteed annual income? Is it going to scrap a number of support programs and look at innovative, creative new ways to deal with people.

In closing I would say I hope, and I think I speak for many Canadians, that we will hear soon what the new vision of the Conservative government is with respect to medical care in this country, with respect to the Canada Pension Plan and with respect to unemployment insurance, and what kind of generous and caring government and country Canadians from all parts of this great nation can look forward to as we move to the end of this century.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I rise to speak against Bill C-20 along with the rest of my colleagues in the New Democratic Party because we are concerned that the government has taken the tactic of reducing the national deficit simply by transferring the burden of program cost to the provincial governments. It is very much like somebody who gets into financial trouble and then goes out and robs the grocery store. He simply transfers his financial problems to the owner of a grocery store and so we are not actually reducing the financial problems of Canada or dealing with them.

What the federal government is doing by this legislation is not reducing the problem at all. It is simply transferring the burden of the federal deficit which was caused by federal policies of both the Liberal and Conservative governments over the last several decades to the provincial governments. We are seeing that the provincial governments are transferring those problems down to local governments, as my colleague from Surrey North indicated, or down to individuals in the case of people who are sacked from government jobs and who are seeing their salaries and benefits cut. We are simply transferring the problems which were created by the federal government down to the people who can least afford to bear them in this country.

That is not the way to deal with your problems. What this government should be doing is addressing its own problems head on rather than transferring them to other levels of government.

We are dealing with a bill which extends the worst provisions of Bill C-69, which was passed earlier, by extending the capping of various federal transfer programs for an additional three years and creating even more problems for provinces which have the responsibility to deal with programs such as health care, social services and post-secondary education.

What options do those provinces face? As I said before, they can either absorb the cuts themselves and run into debt or they can pass it on to local governments, which are the creatures of those provincial governments, or to individuals. There have been examples of both which my friend from Surrey North described. He described the Liberal government in Newfoundland which has cut back on health care services as a result of what this federal government has done, cut back on hospital beds and fired about 10 per cent of the nurses in the province of Newfoundland in order to absorb the cuts that the federal government has passed on to that province.

Who is bearing the burden of the cost of federal deficit cutting? It has been passed through those levels of government and right down to those individual citizens of Newfoundland, the people who can absolutely least afford to bear those costs.

It is interesting to see the different reactions of the Tories when they examine what the Ontario government is attempting to do in order to shield its people from the worst impacts of the recession and when they comment on what is happening in Newfoundland.

They seem to look positively at what is happening in Newfoundland when a government sacks its employees and when the government cuts back on its social, health and education programs. This seems to be a satisfactory method of dealing with that kind of issue for the Tory government.

Ontario says: "We are here to serve the ordinary people of Ontario. We are going to shield these people from the worst impacts of the recession so that when the recession is over and when economic recovery returns, they are going to be better able because they will be better educated and they will have better health care. They will be better able to get back into the work force and begin to live productive and effective lives again." This government attacks that method of dealing with the problem.

What the government of Ontario has done is dealt with the problem head on. It said that the buck stops here. We have to deal with it and we have an obligation to defend our citizens against the worst impact of this recession which, by the way, was a recession that this Tory government created. If it were not for the high interest rate policy, the high dollar policy and the trade policy of this federal government, many of the provinces would not be dealing with the kind of serious economic problems they are dealing with right now.

It is interesting that Ontario has taken the tactic it has, because Ontario feels, very much like Tommy Douglas used to say, that the economy is here to serve the people and that the people are not here to serve the economy. Mr. Douglas used to say that the people were the most

important thing the government has to deal with. They were the responsibility of government.

I would like to congratulate Ontario for the way it has dealt with the problem. Once this recession is over and once the economic problems are over, and that will probably come with the end of the Tory government, the people of Ontario are going to be better prepared to go back and create a new and good economy for Canada. I think Bob Rae's government has done what any responsible government would have done in this country. I think he is going to be able to deal with the spending problems when the economy recovers in that province, because his people will be better equipped in every way to deal with those problems.

I think the real tragedy in this whole situation is that social programs are the programs least responsible for our deficit problems. Things like medicare, post-secondary education, unemployment insurance and welfare are the least responsible programs for Canada's deficit.

I would like to refer to a column that appeared in the *Winnipeg Free Press* on March 13, 1991. It was a column by Frances Russell in which she points out that there are Statistics Canada studies which indicate that the responsibility for the current $400 billion debt can be divided in a number of ways. For example, she says that 44 per cent of that $400 billion debt is due to corporate welfare programs which have been passed by this and by the previous Liberal government, tax forgiveness program which both the Trudeau and the Tory government have passed.

Another 50 per cent of the deficit, she says, quoting the Statistics Canada study, is caused by the interest rates compounding on the interest rates compounding on the original sums which resulted from the problem of those corporate giveaways of the last 20 to 25 years.

Ms. Russell says in her column that only 6 per cent of the deficit can be attributed to, and she has this in quotes, "living beyond our means or out of control government spending which are Tory code words for social programs."

So it is not the social programs in this country that are responsible for the debt which we have accumulated over the last 20 years. What is really responsible for the debt is the corporate giveaway programs which have been extended to corporations and to the wealthy over the last 10 years by both Liberal and Tory governments during that period.

It is interesting to see how the economy affects different people in Canada. My wife was talking to a hairdresser here in Ottawa just a couple of days ago. That hairdresser is a single parent with a child.

• (1750)

She works eight hours a day. She works hard. She is good at the work she does and she is paid at the absolute minimum wage. Also, because she is a single parent head of a family, she has to budget fairly carefully. She has found out that when her income comes in and she compares it to her expenditures, the expenditures exceed the income by $70 a month. That is careful budgeting when you are budgeting down to $70 a month.

Madam Speaker, you are asking me to wind up. I have a 20-minute speech here and 10 minutes allocated.

Madam Deputy Speaker: It is only 10 minutes at this time.

Mr. Skelly (Comox—Alberni): If I may ask the House just to conclude my remarks, I would just like to wind up because the impact on this woman is pretty dramatic. She went to the welfare agencies in Ottawa and she was told that in order for her to make up that $70 through welfare she would have to quit her job and then they would give her enough to meet her expenses.

What kind of a country do we have here? What kind of a policy does this Tory government have when people who are good at their work are working hard, have families to raise and are careful with their expenditures, end up having to be told to go on welfare in order to survive in this country? That is the kind of policy that we are dealing with under this Tory government.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, I welcome this opportunity to speak to Bill C-20, whose purpose is to amend four important Acts of Parliament, namely: the Federal-Provincial Fiscal Arrangements Act, the Parliament of Canada Act, the Public Utilities Income Tax Transfer Act and, finally, the Unemployment Insurance Act.

Madam Speaker, the debate this afternoon arises from the Budget brought down by the Minister of Finance on February 26 this year. I thought at the time, and I still do today, that this budget was bad for all Canadians. This budget did nothing to get Canadians out of a recession that was created by the unsound policies of this Tory government. In fact, the same economic policies that were responsible for this recession may be found in the latest Budget, and that is why I object to a bill that implements these policies.

Madam Speaker, I listened carefully to the speech by the Minister of Finance on second reading, and I would like to repeat some of the remarks he made. First of all, the minister said that the government had, and I quote from *Hansard*, June 11, 1991, "—embarked upon a course that places less reliance upon government and taxpayers' pocket books."

Madam Speaker, the minister has a short memory, because two days earlier, at the meeting of federal and provincial Finance ministers in Charlottetown, he said Canadians were taxed to the hilt. He seems to have forgotten that middle-income Canadians are paying $1,500 more in taxes since the Conservatives came to power in 1984. The course chosen by this government is not one that will lead us to a just society, far from it. Earlier I saw the Minister of State (Small Businesses and Tourism) in the House. Bill C-20 which we are discussing this afternoon provides for a 24 per cent increase in premiums to be paid by employees and employers.

Madam Speaker, we know perfectly well that in Canada, at least 75 per cent of our businesses are small and medium-sized businesses. This means that these businesses, which are the foundation of our economy, will have a hidden tax to pay as a result of this 24 per cent increase. That is how the government tries to get us out of a recession that was created by its own policies: an excessively high dollar, high interest rates and, the icing on the cake, the GST, as a result of which the government collected $400 million more after the first three months it was in effect.

So, you can see the kind of position this government has put us in, not only with the May 26 Budget, but with all its economic policies since 1984.

Madam Speaker, before the Free Trade Agreement was signed, the government had promised that training courses would be offered to the workers who would loose their jobs to facilitate their reentry into the labour force. Three years later, we are still waiting for these courses, Madam Speaker. What has this government done since the Free Trade Agreement was implemented to ensure that adjustment programs are available to help the people who lost their jobs because of this agreement and the technology transfers flowing from retrain and find a new job? Nothing yet, Madam Speaker.

At the time Bill C-21 was passed, the government promised that $800 million would be allocated to manpower training. How much of these $800 million were spent, Madam Speaker? They are back today with yet another bill penalizing the workers and the work providers with a 24 percent increase in UI premiums. As we can see, Madam Speaker, there is still no training available and the unemployment rate is still very high, but the government is maintaining its high dollar policy anyway.

It is no wonder, Madam Speaker, considering this high dollar policy, the high interest rates and the GST, that Canadians go cross-border shopping on week-ends. The reason is simple: it is because of these economic policies. The government keeps helping companies, first with the FTA and now with these economic policies, to get established south of the border, and encouraging Canadian taxpayers, an incredible number of Canadians to go south. Statistics show, Madam Speaker, that billions of dollars are flowing out of the Canadian economy and in the American economy.

Did the government think about that when it came up with the free trade project? Did they think about a monetary policy that would have made it possible for Canadians to live well in their own country instead of moving south, Madam Speaker?

I see I have very little time left, but I would like to use this time, Madam Speaker, and I know my colleagues will take advantage of the prolonged hours to pursue the debate on these points, because I think that, in terms of economic policies, the Canadian people has had it up to here—I had another expression in mind but you would have called me to order for using unparliamentary language. Nevertheless, I think it is important to carry on with the debate.

I have been here for an hour, and not once has a government member risen to speak on this issue. What are you waiting for, to tell the Canadian people that your economic policies do not work? It is time to give a thriving economic policy to Canadians, especially the young people, so that they can find work and stay in their country instead of going south, to the United States.

Madam Speaker, it is an everyday occurence now to see people going shopping in the United States and companies moving south of the border because of the economic policies of this government.

Mr. Ronald J. Duhamel (Saint-Boniface): Madam Speaker, as I will demonstrate, this bill shows very clearly the bad attitude of the government. It also shows a rather deceitful way of governing the country. It is an attempt by this government to hide the truth as regards the points that were emphasized.

Madam Deputy Speaker: Perhaps it might be easier for the honourable member if, together, we agreed that it is 6 o'clock. I will recognize him again after the vote.

* * *

THE RAILWAY ACT

MEASURE TO AMEND

The House resumed consideration, after the interruption on Friday June 14, 1991, of the motion of Mr. Corbeil that Bill C-11, an Act to amend the Railway Act (grain and flour subsidies), be read a third time and passed; and the amendment of Mr. Dingwall (p. 1498).

Madam Deputy Speaker: It being 6 o'clock, pursuant to Standing Order 45(6), the House will now proceed to the taking of the differed division on Mr. Dingwall's amendment on third reading of Bill C-11.

Call in the Members.

(The House divided on the amendment which was negatived on the following division)

(Division No. 22)

YEAS

Members

Allmand
Althouse
Angus
Baker
Bélair
Bellemare
Benjamin
Bevilacqua
Black
Brewin
Caccia
Callbeck
Catterall
Clancy
Comuzzi
Dingwall
Duhamel
Edmonston
Ferguson
Finestone
Flis
Fontana
Gaffney
Gagliano
Gardiner
Gauthier
Harb
Harvard
Hopkins
Hovdebo
Hunter
Karpoff
Kilgour (Edmonton Southeast)
Kindy
Kristiansen
Langan (Mission—Coquitlam)
Langdon (Essex—Windsor)
Lapierre
Laporte
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacLaren
MacLellan
MacWilliam
Maheu
Manley
McCurdy
McGuire
McLaughlin
Mifflin
Milliken
Mitchell
Nault
Ouellet
Pagtakhan
Parker
Pickard
Proud
Prud'homme
Riis
Rompkey
Samson
Simmons
Skelly (Comox—Alberni)
Stewart
Stupich
Taylor
Tremblay (Rosemont)
Vanclief
Volpe
Walker
Whittaker
Wood
Young (Acadie—Bathurst)
Young (Beaches—Woodbine)—75

NAYS

Members

Anderson
Atkinson
Attewell
Beatty
Belsher
Bernier
Bertrand
Bjornson
Blackburn (Jonquière)
Blenkarn
Bouchard (Roberval)
Bourgault
Boyer
Brightwell
Browes
Campbell (Vancouver Centre)
Cardiff
Chadwick
Charest
Chartrand
Clark (Yellowhead)
Cole
Collins
Cooper
Corbeil
Couture
Crosbie (St. John's West)
Darling
DeBlois
de Cotret
Desjardins
Dobbie
Domm
Dorin
Edwards
Epp
Fee
Feltham
Ferland
Fontaine
Fretz
Friesen
Gérin
Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)
Greene
Grey (Beaver River)
Guilbault
Hawkes
Hicks
Hockin
Hogue
Holtmann
Horner
Horning
Hudon
Hughes
James
Jelinek
Johnson
Joncas
Jourdenais
Kempling
Landry
Langlois
Larrivée
Layton
Lewis
Littlechild
Loiselle
Lopez
MacDonald (Rosedale)
MacDougall (Timiskaming)
Malone
Marin
Masse
Mazankowski
McCreath

McDermid	McDougall (St. Paul's)
McKnight	McLean
Merrithew	Mitges
Monteith	Moore
Nicholson	Oberle
O'Kurley	PlourdePorter
Reimer	Ricard
Richardson	Robitaille
Roy-Arcelin	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Sobeski
Soetens	Sparrow
Tardif	Tétreault
Thacker	Thompson
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vien	Weiner
Wilbee	Wilson (Swift Current—Maple Creek—Assiniboia)
Worthy—119	Winegard

PAIRED—MEMBERS

Members

Corbett	Foster
Jacques	Keyes
MacAulay	Marleau
Redway	Tremblay (Québec-Est)

Madam Deputy Speaker: I declare the amendment negatived. Is the House ready for the main motion?

Some hon. members: No.

* * *

• (1830)

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the second time and referred to a legislative committee; and the motion of Mr. Sobeski (p. 1799).

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I began briefly a few minutes ago talking about this particular bill, C-20. I indicated that during my address I would show that the government had a bad attitude toward the governance of Canadians generally. This is demonstrated by some of the things it is trying to do. This is a very sneaky way of going about the business of trying to govern the country. It is also trying to hide the truth.

What is this Bill C-20 all about? It is about transfer payments, and clearly it is about the extension of the freeze on health, education, the Canada Assistance Program. However, it also involves a number of other programs that are particularly important to Canadians and to provinces: health, education, Canada Assistance Program, equalization, and I could mention several others.

It is also a bill that is extremely mischievous because it uses a stick approach. It is really the law of the jungle.

I want to quote from a research report that has been done on this. In this particular bill, which controls the transfers of massive amounts of moneys to provinces and to territories of Canada, we have a mechanism where, if the government chooses to do so, it could withhold funding in a number of areas. I think it is important to mention all of those areas. The equalization payments total about $8.4 billion. Territorial financing totals over a million dollars. Grants in lieu of taxes total $344 million. Public utilities income tax transfer payments total about $280 million. Statutory subsidies total about $36 million in 1991. The Canada Assistance Plan, as I mentioned, totals $6.4 billion. Crop insurance totals $207 million. The Official Languages in Education program totals $243 million. Miscellaneous health and welfare moneys amount to $170 million. Young offenders services amount to $158 million. Justice totals $77 million and transportation totals $69 million.

If the government, with the passage of Bill C-20 chooses to do so, and I quote: "It will be able to withhold transfers to offending provinces and territories" through these programs that I have just mentioned. That is why I have indicated that it is a mischievous piece of legislation that is extremely misleading.

It is also a piece of legislation that goes further in extending the ideological agenda of the government because it penalizes the poor provinces such as Manitoba, Saskatchewan, and the Atlantic provinces. The weak will get weaker, and much, much weaker unless things change and they change quickly.

Let me give an example of where it is particularly brutal.

[*Translation*]

It is in the field of education. I have talked several times about the administrative rate of 3 per cent that is levied on student loans. Those students are poor, of course, otherwise they would not borrow money if they have any. As far as assistance to students is concerned, I have already mentioned that the criteria have not changed since 1984, even though the inflation rate has gone up 30 per cent and even more. There again, the students have paid a lot more than they should have. It is unfortunate.

They also talk about the GST on books and learning material that students need.

[*English*]

With respect to the goods and services tax, I want to bring to the House's attention material I have received from a colleague and friend from my constituency. He brought this to my attention to allow me to share with others a very, very serious repercussion relating to the goods and services tax, and I want to quote from this material. "The effect the goods and services tax has on at least one series of books is as follows", and I am quoting from the material he has received from the publisher, an American publisher. The publisher says that: "Canadian orders will be priced under 'Other countries'"—notice that—"rather than the former pricing under 'the U.S. and Canada'".

The publisher explains that this is the result of high administrative costs connected to compliance with the Canadian GST that became effective January 1, 1991. Canadian members must also pay the 7 per cent GST tax on all orders shipped to Canada.

The publisher says: "We will add this 7 per cent to the invoice we send to the Society, and the Society should instruct members to include the 7 per cent GST in their payment to the Society".

The publisher points to high administrative costs in connection with the goods and services tax and, as a consequence, is raising the prices to Canadian customers. These price increases range from 14 to 19 per cent.

This is an example of not only the 7 per cent goods and services tax on education, quite apart from everything else that has been happening, but another administrative cost that has been added on in order to respond to the additional costs of administering this particular tax.

I find this shocking and I find it most unfortunate because the government has always said that it is simply 7 per cent with very, very slight administrative costs.

I have indicated that this bill attempts to control the transfer of moneys. Education and health has been hit in a massive kind of way.

From 1986, when the government started tampering with the formula, to 1995, the date to which it has extended the freeze, we are talking about $30 billion less for health and education, $30 billion. That is quite apart from all of the additional costs that I have mentioned, the 3 per cent administrative fee, no change in student aid criteria since 1984, the goods and services tax and those additional fees that have been added on, no increases in training or retraining, and of course, the limitation of growth in research and development. I could go on. I have mentioned that student debt is growing out of sight, tuition fees increasing at an alarming rate. This government has really botched it this time.

It is unfortunate because it could have corrected a number of things. When one looks at what it has done with the economy—the $30 billion deficit, the $400 billion debt, despite the fact that it had a revenue base of $70 billion in 1984, and now it is in excess of $130 billion—you wonder where the money has gone.

It brags about its 3.8 per cent growth limitation. Of course, it has done that. It has off-loaded it to the provinces which off-load it to the municipalities, to the hospitals, to the colleges, to the universities, to the young men and women out there who are trying to train and become educated so that they can contribute fully to Canada, to our competitiveness as a nation.

I am really concerned that the government has stuck it again to the poor, to the poor provinces, to the students, clearly the handicapped, and many, many other Canadians.

Increases in unemployment insurance premiums are another example of a sneaky, sneaky approach to governing because it increased the premium to employees and to employers by over 20 per cent. It is an indirect kind of tax.

• (1840)

We have not looked at that sufficiently, because we would find massive increases to Canadians throughout this country.

[*Translation*]

I therefore ask the government to do the truly honourable thing and withdraw this bill immediately.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, in this country today, there is a lot of concern over unification. This is a country that seems to have an ongoing debate with respect to the Constitution.

There are other factors besides the Constitution that unify this country. There is some real cement outside the Constitution that keeps us united. Part of that has been a concern by Canadians for all the regions of this country.

We are a country made up of regions and we are a country that is spread out geographically over a large area. This country is a very large nation.

Historically we have found that in order to keep this country together, in order to keep a high standard of living for all Canadians, we have had to implement certain programs and certain policies. Not the least of those programs have been health and education. It is Canada that led the way. Saskatchewan started with the health care program, and the country followed. What we have is a situation where this government is transferring the responsibilities that it has taken in health and education to the provinces.

The reason for national programs in the first place was that certain provinces were unable to provide the same level of health and education that other parts of the country could provide. What we are seeing now is a reversion, a stepping back to that period of time.

When we transfer these responsibilities, we are again going to see certain areas of the country suffering far more than they already suffer. We have already seen health care cuts in Newfoundland. In my province of Saskatchewan, we have seen some major cuts in health and potential cuts in other areas.

Unless a government is going to look after the needs of the poor, the sick and the young, a country will not be healthy. The only government in this country today that has decided to look after those areas of our society has been the government in this province of Ontario under Bob Rae.

The NDP government has received a lot of criticism for its recent budget and for the direction it has taken. It has taken a direction that is different than the federal government and different than any provincial government, but it has decided and it has committed itself to maintaining as high a level of education, of health care and support for those people who need it as it possibly can.

Granted, it is in a better position than many provinces, but it has chosen a different path. It has been the New Democratic Party, over the history of this country, which has chosen a different path. We have chosen a path of committing ourselves to those people who are less fortunate and also to providing opportunities for all Canadians, not just a few.

If this is going to be a country that will stay united, if it is a country that will remain committed to itself, it is essential that we have a viable health care system and a viable educational system. Simply, what we are debating today is a further dismantling of that system.

Unless we proceed to change this attitude, this continued backslide is going to cause more problems with unity in this country than any constitutional change ever did. There are questions this government has to answer that it has been failing to answer. It must justify to Canadians why it is taking this attitude. Why has this government decided to abandon health care? Why has this government decided to cut back on educational transfer payments? Why is it doing these things? Why is it forcing provinces to make some very difficult decisions with respect to hospitals, with respect to nursing care and with respect to education?

The areas that are suffering the most are the areas that can least afford it. We have in this country today large rural areas of Canada which are suffering in many aspects. There are problems with transportation, there are problems with postal services which have been cut. This is a government which has made some vicious cuts in the postal service and is planning to make further drastic cuts. In fact, the government has indicated quite publicly that it wishes to see the postal service privatized. The postal service is now in the business of making money, not providing a service to Canadians. Rural Canadians suffer from that.

In the province of Newfoundland, Memorial University has just recently cut a program that was being sponsored by the university to provide required services to many of the small communities in Newfoundland. It was an extension service of Memorial University which has now been cut. There are something like 700 or 800 small communities in that province. Memorial University, with its extension department, was providing an educational service on a practical basis, where the need had arisen. With the cuts the Clyde Wells government has made, and with its own priorities, which I would suggest are not in the best interests of Newfoundlanders, it has affected that province and those small communities. We see it time and time again.

In my province of Saskatchewan, I have spoken many times on the difficulties that rural Canadians are suffering and the effect it is having on communities. It is also having an effect on the urban centres as well. Certainly the city of Moose Jaw is suffering as a result of programs of this government. No place in the province of Saskatchewan is immune.

What we really need is a government that is going to commit itself to providing essential services to Canada, not on a profit-sharing basis, but on a cost per service basis, a basis that is going to guarantee that all Canadians, whether they live in Toronto or whether they live in Watrous, Saskatchewan, or wherever they live, will be guaranteed a level of service. They need to know they can send their children to school and that there will be opportunities for them to attend university, and that the educational system will still remain as a high institution. As well, they need to know that the health care system will remain the vital institution that it still is today, although it is starting to slide.

I want to close by saying that the onus is on this government to stand up and provide its justification for the direction it is taking this country. It should provide answers for the direction in which it wants to see rural Canada develop, because it is making no comment with respect to that.

• (1850)

I think that Canadians would like to see some members on the government side let us know exactly where they stand with respect to this program, with respect to rural Canada and with respect to the regions of this country.

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to rise to participate in this debate today, because the bill that we are discussing is Bill C-20 which implements the recent budget restrictions on transfers to the provinces and it is an extremely important bill from the point of view of federal-provincial relations. It is also very important from the point of view of the operation of hospitals, medical facilities generally and educational institutions across this country, very particularly in my riding of Kingston and the Islands where the second largest employer is Queen's University at Kingston. There are two universities, the other is the Royal Military College. It will not be affected by these cuts since it receives its funding directly from the federal government. Kingston's hospitals and Kingston's universities feel the pinch as a result of the proposed changes contemplated in this Bill C-20 and I wish to register my very strong objection to what the government is doing in this case.

I would like to refer to the recent report by the National Council on Welfare which outlined the history of EPF cuts in the last few years, particularly since this government took office. The report is unchallenged by the government. We have had no evidence in any of the speeches given by government members today that would indicate that the report was in any way inaccurate. Perhaps to make clear what is going on, I would like to review some of the items in that report.

In 1986 the government announced that EPF entitlements would no longer grow with the economy as they had done previously but would be held to economic growth minus two percentage points. In 1989 it changed that two to three, so that the EPF entitlements would be held to economic growth minus three percentage points. In the 1990 budget, the government announced a total freeze on EPF entitlements for two years. That is for the two years following that 1990 budget, and after two years the EPF entitlements would increase at the rate of the Gross National Product minus three percentage points, in other words, the old rate.

In the latest budget, and the reason for the bill we have today, the government announced that the freeze on entitlements would continue through to the end of the 1994-95 financial year, and after that the formula of GNP minus three would again apply.

The effect of this freeze that has been imposed is effectively to deprive the provinces of very significant sums of money. I want to look at the chart provided by the National Council on Welfare which indicated the size of the cuts.

I want to point out that in 1986-87, normal EPF entitlement in Canada amounted to $16.8 billion. With the cuts that were imposed in that year, $10 million was given up. By 1991-92, this year, $4 billion a year has been foregone as a result of the changes that the government has introduced. In other words, the provinces are receiving $4 billion less than they would have received had these changes not been introduced.

By the financial year ending March 31, 1995, that figure will have more than doubled to $9.2 billion, a very very significant decrease in the federal contribution to provincial programs in education and health.

I suggest that it is becoming a disastrous chain of events.

Now I want to refer to the stealth with which this government has acted in this matter. The hon. member for Mount Royal in her most able speech earlier today indicated how stealthy and sneaky the government was being in its dealings with the public.

Mr. Volpe: Sneaky anyway.

Mr. Milliken: I think stealthy also applies but it is pretending that the benefits are increasing. I have an example of that in an answer given by the Minister of National Health and Welfare the other day in this House. He was being questioned by our most capable deputy leader, the member for Hamilton East. I would like to read the question if I may. I think it is clear on its own, from page 1202 of *Hansard*.

> Is he aware that as a result of his government's cuts this year, the provinces will be deprived of financing equivalent to 10,000 hospital beds across the country? Is he aware of the fact that at least 10,000 Canadians will be made to wait this year for health care because of his government's cutbacks to the provinces?

The minister answered:

> Mr. Speaker, as usual the member for Hamilton East is wrong.

It shows how little the minister knows about the facts. He went on:

> Money given to the provinces this year is more than it was last year, except that the way we provide the money could be different.

It certainly is different. He is not providing the money. There is a cut and the figures provided by the National Council of Welfare indicate there has been a cut. I can indicate the figure that is shown on its chart is $4 billion less than the provinces would have received had the government not made the changes that it did in the 1986, 1989, 1990, and 1991 budgets.

I think the record is a disgraceful one. It is a disaster. Surely the purpose of education in our country, post-secondary education in particular, is to equip our talented younger people with the skills they need to carry on effectively in the workplace. We have a pressing need in this country for scientists, for persons with scientific skills of a tremendous variety, and persons with high levels of education in a host of fields. We have ample evidence to support that in the fact that there are job opportunities for these people across our country.

At a time when there is a demand for better training and better educational facilities across Canada, the government is bent on reducing the opportunities for those educational institutions to expand and to provide better services. The effect of the government cutbacks is exactly the opposite.

In my own province of Ontario the significant reductions in the ability of universities to deliver programs has been very marked. I do not have the figures here today but I am sure I am stating the fact when I say that the payments to universities for their operations have not kept up with the rate of inflation. The universities across Ontario have been faced with major cutbacks in all kinds of areas in order to continue to pay a reasonable salary to their employees.

It is safe to say also that university salaries have not been overly generous. There have been significant cutbacks in the ability of the universities to pay those salaries. Services have been reduced. Class sizes have increased very significantly.

Recently I attended a function given here on the Hill by the University of Toronto. When I mentioned that in my years at Queen's University I had attended a class with 15 or 20 people in it, I was told what a surprise that was because such classes are a great rarity in Ontario these days. University classes are usually 50 and 60.

That is only because of the cutbacks. It is not because the universities have grown tremendously since those times. They have not, but what has happened is the universities have been unable to afford to maintain

staffing levels. They have had cutbacks in staffing levels, in personnel, in the classrooms, in the maintenance of their buildings and in their ability to keep up campuses and staff them properly. I suggest that part of the reason for those cutbacks is this government's attitude as exemplified in Bill C-21.

I wish the government were more far-sighted in its approach to this problem. I do not understand why it feels that given its boasts about trying to help research and education in Canada it would engage in this kind of thing and then make the statements such as those made by the Minister of National Health and Welfare the other day. Certainly it is true that the provinces are receiving, in dollar terms, slightly more this year than they did last year. However, it is much less than they would have received had the government not announced the freeze in the budget of this year and last year.

• (1900)

To suggest that they are receiving more and, therefore everything is rosy is misleading. It is wrong, it is incorrect and the minister knows it is wrong. He knows he should not make such statements and indeed he should come back into this House, apologize for his statements and withdraw this bill at once.

While I am on my feet may I say—

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

An hon. member: No.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this is another example of the government saying one thing and doing another.

Time and again we have seen the Prime Minister, his ministers and members of his caucus standing up and saying how important post-secondary education is to Canada, how important it is to educate our youth, how important it is for the growth of our economy that we have a well trained and well educated population.

They say it with a very concentrated, serious look into the television camera here in the House of Commons, and give the impression that they really do favour post-secondary education. They then go and introduce bills, such as Bill C-20 which continues the cuts to the provinces for post-secondary education. They are doing this at a time when the universities in the provinces are increasing their tuition fees. They are doing this at a time when they have cut the moneys available for summer employment for students. They are doing it at a time when jobs are very difficult to obtain, when the rate of unemployment is extremely high.

What will be the result? The result will be, putting all of these policies of the government together, that fewer and fewer people will be able to go to university. The fees will be higher as a result of these cuts that the federal government is dishing out to the provinces. Students will not be able to earn their way to universities with jobs in the private sector or the public sector because the jobs just are not there and the federal government is cutting its support of those programs.

What else is being cut in this bill? Another example of the government saying one thing and doing another. Some people call this sort of politics the politics of rhetoric, the politics of smoke and mirrors where you try to give the impression with that very serious Prime Minister look that you are really in favour of health care and post-secondary education. Then you cut them in another measure another day.

It is the same with health care. The government speaks very highly of its commitment to our health care system—one of the best in the world. It was one of the best in the world, the Canadian medicare system. Here it is, once again, cutting these programs.

If we look at the amounts that the federal government was originally expected to contribute to the provinces under the EPF program—which is the program through which the federal government helps the provinces with respect to post-secondary education and medicare—in 1986 and we look at what in fact it is doing as a result of the bills to cut these contributions starting in 1986, we will see that between 1986 and the year 2000, as a result of this legislation and other similar pieces of legislation, the federal government will have taken away $97.6 billion from the provinces. This is almost $100 billion. Well, $100 billion has to mean a lot to provinces which must find moneys to support their universities, their hospitals, their medical research centres and so on.

For government members to say that this will not mean anything or to give us the impression that they are not really cutting but increasing funding is a fraud on the Canadian population.

The government is trying to pretend that because the amounts in dollars are increasing that it is not cutting. In fact, the provinces, the universities and the health care institutions were led to believe that they were going to get a certain amount in the years 1990–91 and 1991–92 and so on. However, because of bills like this they are not going to get those amounts of money. They are going to be left holding the bag, so to speak.

What is also very insidious about this type of legislation is that the more the federal government cuts the more it aggravates the regional disparities in this country. Under the EPF formula when the federal government redistributed money to the provinces for health care and universities, it was assuring by those moves that the Atlantic provinces and other provinces of Canada—Quebec, Saskatchewan and so on—that are not as wealthy as Ontario and B.C. would have equivalent institutions. It was assuring that no matter where you lived in Canada, you could be assured of hospitals, health care and universities that were of a high standard.

If the federal government takes away the money as it is doing in this bill, it is saying that if you live in a rich province like Ontario—and I say that relatively speaking, because Ontario is also suffering a very serious recession right now— you have better health care facilities and better universities, because there is a lot of industry and a lot of development in Ontario, but if you live in Newfoundland or Prince Edward Island or Nova Scotia, and you have to rely to a much greater extent on provincial resources, how can you keep up? That is a result of this Bill C–20.

So far I have only spoken about the cuts to health care and to post–secondary education, university education. By the way, post–secondary education also includes the community colleges and the CEGEPs in Quebec, not just universities.

The bill also breaks another promise of the government, and one that I was very closely involved in. That promise concerns the premiums which must be paid for unemployment insurance. When the government introduced its famous Bill C–21 to cut unemployment insurance benefits a few years ago and to transfer some of those benefits into training programs, when it did that the minister made a commitment that unemployment insurance premiums would remain the same for three years, for 1990, 1991, and 1992. At the same time the government withdrew the federal contribution to the unemployment insurance fund which was a very large amount. Under the law, as it then was, if the rate of unemployment went above a certain percentage—I believe it was 6 per cent—then the federal government was obliged to pay for the benefits as a result of the increased unemployment.

With Bill C–21 the government cut out entirely the federal government's contribution, meaning that the entire unemployment insurance fund would have to be supported by the contributions of employers and employees. At the same time, it said: "We are going to freeze contributions by employers and employees to $2.80 per $100 of income, and that would stay the same". However, what did we see in the budget this year and what are we asked to approve in this Bill C–20? The government broke its promise and now, just one year later, it is increasing the premiums which are an additional tax on employers and employees.

As I have said, this government continually says one thing and does another. I do not know how it comes to the conclusion that Canadian citizens are stupid enough not to see these things. But they are not stupid. They see through the smoke and mirrors game of the government and that is why the government is at 14 per cent in the polls.

The people of Canada are not stupid. They do not believe the Prime Minister when he gets up and makes pious statements on television that he believes so sincerely in education and health care and he is going to do this and that. They have come to the point where they do not believe the government any more. The government has no credibility. Yet it still gives us these kinds of bills, asking us to approve cuts that government members have made speeches on to the contrary. We are not going to support this bill. What we are trying to do in this debate is bring the attention of the Canadian public to this because we know that we cannot reverse the government's point of view alone. With all the opposition parties in this House, we are unable to touch that government. It will not listen to us, even though we were elected by a large number of Canadians. What we are trying to do by these televised debates is tell the Canadian people what is being done to them by this government. Hopefully, the Canadian public will rise up and with great public outcry condemn this government, and maybe they can turn back this bill.

• (1910)

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, when the Prime Minister was first elected to this House, in his very first speech in the House, he declared: "Give us 20 years and you will not recognize this country".

Less than a decade later, Canadians are painfully aware of the awful reality of those words of the Prime Minister. Canada today is a nation at a crossroads. This government has been driving this nation relentlessly toward its vision of a new world. It is a corporate vision.

Bill C-20, which we are debating here today, seeks to limit federal expenditures to the provinces in the areas of health care, post-secondary education and income assistance. This bill is an instrument of that government's vision. It is a vision where progress is measured in corporate terms rather than in social terms. It is a vision that does not consider the value of community. It is a vision which few Canadians share.

It is a centralist vision of a Canada where the regions are being sacrificed, slowly but surely, in favour of the fat cats in Ottawa and Bay Street. Almost 60 years ago the social democratic movement way back in the 1930s, the Dirty Thirties, was formed at that time because of a growing distrust of this centralist vision of Canada. It grew from a coalition of prairie farmers, of British Columbia dock workers, of people from all walks of life, who said to the government of that day and that time: "Enough is enough". Almost 60 years later, we are continuing to fight these same battles, this time to save those kinds of social programs and regional programs that we fought so long and hard to implement over the years.

I want to say, Mr. Speaker, we talked about it a few days ago in the House, this government simply does not understand the concept of community, it does not understand the idea of regions, it does not understand people. As my colleague that spoke just prior had so eloquently stated, that is why this government is so unpopular with the people of Canada. That is why it is hell-bent for defeat in an election.

Understanding the concept of community means supporting the very things that this legislation is looking to dismantle. It means supporting our universal health care system, it means supporting those unemployed workers put out of work by this same government's economic blunders.

In British Columbia, which is the province that I hail from, and particularly in my riding in the interior of B.C., in the Okanagan—Shuswap, forestry workers and mill workers have been sidelined by this government's past policy of high interest rates, of an artificially high dollar, of a made-in-Canada recession, and in particular, to its complete and utter capitulation to the United States with regard to the 15 per cent softwood export tariff.

In some areas of my riding, up in the Sicamous-Malakwa area, unemployment approaches upward of 40 per cent. This government has completely neglected those people. It has completely misunderstood the need for job creation and the implementation of job retraining programs that this legislation just completely disregards. Understanding community values means adequate funding for municipal and provincial RCMP services.

It means supporting rural post offices where people gather each day to share stories. It means supporting regional job creation programs that will put unemployed workers back into production. It means adequate funding for post-secondary education so our young people will not have to leave their own communities in order to seek job training or higher education.

We have a real challenge ahead of us. These are tough economic times, nobody will argue that point. As this bill before us demonstrates, this government's response to that kind of challenge is to attack Canada's social programs, our first class medical system. Its response is to steal $100 million out of the Canadian Jobs Strategy Program which was a regional job development program that really worked and helped get people back into the employment lines.

Its response to that challenge is to opt out of the funding for unemployment insurance programs and shift that burden on to the backs of the workers and the small business community through this kind of legislation that increases the premiums that those businesses and workers have to pay.

The government's response to the economic challenge of today is to cap the extended program funding to the provinces which will essentially starve the provinces for funds in order to maintain quality standards for health care and education.

Over the next five years, we determine as a result of this particular legislation that it is going to cost British Columbia and the taxpayers of British Columbia over $911 million to maintain the funding that is being stripped away from this kind of legislation that the federal government wants to implement.

We ask the government to recognize the increased need for assistance to the provinces, particularly those provinces hardest hit by this made-in-Canada recession. What is its response? To extend the 5 per cent cap on the

Canada Assistance Program, forcing the provinces to bear the extra burden of income assistance payments?

The government hides behind the argument that it is simply broke. It argues that it has to tighten its belt. It argues that the nation's debt is out of control. If it is out of control, it is so because of this government's economic policies and not in spite of it.

In 117 years, going way back from Confederation to 1984, the total accumulated debt was $187 billion. Since 1984, that debt has more than doubled. During eight years of this government's reign, that debt has doubled to over $389 billion. It has been eight years of Tory rule and more than double the accumulated debt since Confederation.

Was this growing debt ever mentioned during the last election? Not a word was mentioned. Not a peep. The Minister of Finance, who was back during that time, said that the country was in great financial shape. He promised what added up to $20 billion in election promises: child care programs, nuclear submarines and increased support for social service programs. As soon as the government was elected, then we suddenly find out that the country is in the poorhouse.

Rather than maintaining the programs that the government promised, what does it do? It cuts. It takes out the broad axe and it cuts programs like VIA Rail, Canada Post, the RCMP, the CBC, national health care programs, unemployment insurance programs, post-secondary education funding and research and development funds.

All the time, not a loophole was closed in the tax write-offs of corporate Canada. I could go on in great detail about the need for real tax reform, which this government seems to completely ignore with this type of legislation.

Let me summarize by saying that if a test of a government's economic policies is a measure of the gap between the privileged and the less fortunate in this country, then by any measure this government has failed the test and failed it utterly.

• (1920)

This government has been an unmitigated disaster for Canada. It has lured us into a trade deal we did not want. It has bludgeoned our national programs. It has created its own made-in-Canada recession. It has driven jobs and people out of the country. It has with a single roll of the dice taken us to the brink of our own demise and it is time we got rid of it.

As the quote has said, and I have repeated it before, it has no vision and when there is no vision, the people perish.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, after hearing many of these very eloquent, articulate and erudite speeches on the troubles that this government has visited upon this poor nation, I wonder whether I can meet the standards set by my colleagues.

Certainly when we talk about Bill C-20 one can only speak with outrage. With a bill such as this we are eroding some of the basic programs, the large educational, medicare and social programs which have become the hallmark of this country and we are doing it in such a surreptitious fashion with a bill which seems so inconsequential and technical as to almost be overlooked.

We have seen all hon. colleagues in this House over the course of this day debate, bring and underscore all of those elements which can only be described as so negative as to be corrosive and erosive.

What does this mean for federal-provincial relations in this country? It means, as some of the colleagues from my caucus have pointed out, that the government has turned its back on a pro-active role for Canada at a time when our country cries out for a government that is active in the direction of bringing people together, joining regions together and bringing provinces to the table.

What does our government do? It says no, the most important issue is one of balancing books, ensuring that the budget be reduced in terms of its public debt and reducing the dragon that has resisted all attempts over the course of the last seven years, the deficit.

Under the guise of ensuring that the deficit comes under manageable control, the government is abdicating all responsibilities of nation building, bringing people together and ensuring that all Canadians have a stake in this country. They can only ensure this stake, live and materialize it, if they see that all of their hard-earned income, sacrifices, and commitments to their communities, provinces and fellow Canadians result in the kinds of programs that give them access to Canadianism and to a patriotic involvement in medicare, education and those standards that define us, both by our aspirations and by our achievements, those standards that give each and every one of us in this country and elsewhere an indication of what we stand for, both from the point of view of youth and from those who are not as young.

Mr. Speaker, I know that I speak to someone who is more than interested in some of the figures that I draw to your attention. By the end of this decade 14 per cent of our population will be in the area we call seniors. With an aging population, what are we doing? The government says it is going to establish the kinds of cuts and restraints that will ensure that people who fall into that category of seniors, those people who may not be so fortunate as to have access to the kind of jobs that will provide them with a standard of living to which they have become accustomed and through no fault of their own have seen eroded, will not have sufficient funds at their disposal.

We are going to abdicate our responsibility to Canadians who have contributed to this country by sweat of brow, by dint of participation and by a desire to ensure that the political format, the economy and the social structure be such that they take care of each and every one of us, one and all, at a time when we need them the most.

One of the tragedies of today is that the cuts in the EPF financing put at greater risk many of those seniors who rely on their Canada Pension Plan contributions and Old Age Security which combined, assuming that individual Canadians were able to participate fully in the previous program, will give them very little more than $900 a month, on an eroding basis. That $900 a month in the city of Toronto will get them very, very little. The cost of living in a city like Toronto when one takes into account the amount one has to pay for rent and then for a food basket, leaves very little for anyone who falls into the category of seniors.

What are we doing as a country? As I said earlier on, we are turning our backs and abdicating our responsibilities to those people who contributed mightily to the creation of a system upon which they can no longer draw. It is almost criminal that I would have to introduce this example. In Canada we have many Canadians who come from other countries. Fully 8 million Canadians do not have their origins in this country, and they are proud Canadians nonetheless. They have contributed to the wealth of this country. They continue to strengthen its social and cultural fabric, but they still have ties, cultural and spiritual ties elsewhere.

The countries that spawned them still recognize contributions. I might cite one. The country of Italy contributes to former Italian residents. They are Canadian citizens and Italy contributes to them and to their well-being; in this country over $250 million annually in pensions, $250 million annually. Italy infuses a quarter of a billion dollars into our economy because those people simply exist.

Our government taxes them to the tune of better than $50 million. In other reciprocal arrangements with Italy and other countries, our government does not even transfer one-half of that tax on those pensions alone. Those citizens represent for us an enormous wealth just by being here, with this infusion of cash that comes in. It allows the government not to give the attention it should to the plight of citizens, because it knows there is a quarter of a billion dollars annually coming from a generous foreign authority. It knows it can draw a further $50 million from such revenues.

It has become even more lax in terms of accepting financial responsibility for the benefits of its citizens. Those citizens, like so many other seniors, are subject to increasing property tax and increasing provincial taxes, and then have to be subjected to a GST of 7 per cent.

We have seen what has happened. GST has driven hundreds of thousands of Canadians across the border looking for a better bargain for their hard earned cash. Those seniors do not have such an opportunity. We, as members of Parliament, as a Canadian government, turn our backs on those who need us most. Who speaks for them if not those members of Parliament from this side of the House who point out all of the deficiencies of a bill such as Bill C-20? I compliment my colleagues who have done such a great job in pointing out all the pitfalls.

I also compliment them for pointing out that all of those issues that relate to the unemployment insurance program, which we fought so dearly last year prior to the implementation of Bill C–21, are now beginning to show all of the nefarious components that we predicted and that the government denied. Over the course of this last year, the Minister of Finance has seen fit to increase by 24 per cent the premiums charged on those who do work.

Very few of us are taking the government to task for withdrawing from the plan completely in the first place and still putting an extra burden on workers and employers who are still fortunate enough, despite the government's economic program, to be in a situation in which they can either provide work or work.

• (1930)

What has the government done in that regard? In my own city of Toronto, which used to be one of the richest places in Canada, the unemployment rate is higher than that of any two Atlantic provinces together. If you are unemployed you do not care what part of the country you come from, you are unemployed. There is no income, no food on the table for your family, no extra income, no disposable income to stimulate other economic activities by spending.

What happens? This government abandons both students and unemployed with its SEED program. On the average in the city of Toronto, $14,000 per riding is expended on the SEED program.

I can only say, along with my colleagues, that the priorities established under C–20 are absolutely skewed in the wrong direction. If anything, more of us should be outraged at the profanity that is being perpetrated by this government. We should say no to C–20 and no to some of these financial programs which the government wants to force on us.

Ms. Mary Clancy (Halifax): Mr. Speaker, I want to compliment my hon. colleague from Eglinton–Lawrence for his most articulate appeal. I fear, however, that this appeal falls on deaf ears.

Mr. Weiner: No way, we heard every word.

Ms. Clancy: Ah, yes. The minister says he heard every word. The hon. minister has been hearing every word lo this two and a half years. The hon. minister, however, has not managed to change the course of government policy in this direction, thus leading to, among other things, a variety of wiener roasts across the country, but we will let that go unsaid.

Mr. Weiner: Just came from Halifax.

Ms. Clancy: Where they had another wiener roast, yes.

Mr. Arseneault: Oh, that is not nice.

Ms. Clancy: Is it not?

Mr. Arseneault: No.

Mr. Weiner: Take the high road, Mary.

Ms. Clancy: Mr. Speaker, I am advised by my hon. colleague over here to take the high road. I think he would agree with me, however, that it is hard to take the high road. It is particularly hard to take the high road when you are an Atlantic Canadian and when you see what has been done deliberately, barefacedly to the four provinces clinging to the coast of Canada during the past seven years of this government.

I cannot count the number of times I have stood in this House and argued, cajoled, orated and pleaded with this government to stop turning a blind eye to what is effectively an increase in human misery in the Atlantic provinces.

My colleague from Eglinton–Lawrence mentioned that the unemployment rate in Toronto was more than two Atlantic provinces put together and those are shocking statistics. However, the 20 of us on this side of the House who represent Atlantic Canadian ridings can tell the House that numbers like that have been a daily occurrence for far too long in Nova Scotia, New Brunswick, Newfoundland and in Prince Edward Island.

The cuts to Established Programs Financing pour salt on a wound that may already be fatal. There are two areas I want to talk about in the short time I have available to me tonight on this very important bill. The two areas are health care and post–secondary education.

Regarding health care, today in *The Ottawa Citizen* the president–elect of the Canadian Public Health Association says that his association research shows that reduced federal funding will mean a loss of $3.3 billion in health care money available this year and a loss of $30 billion by the end of 1996.

Thirty billion dollars. I do not know about the rest of you but I have great difficulty encompassing that figure. I cannot really get my mind around it. The figure is too large. So what can I get my mind around? I can get my mind around the fact that the cuts to Established Programs Financing put forward in this bill by this government are dealing a death blow to health care in Atlantic Canada, in Canada in general but in the four hard-pressed provinces of the Atlantic more so than anywhere else.

I will come back to health care, but I also want to talk very briefly about post-secondary education, again in the Atlantic provinces. I do not know how many times I have stood in this House and cajoled and pleaded and berated on behalf of the Atlantic universities. I have some experience with the Atlantic universities. I was a faculty member at three different universities over the past 10 years. I was a part-time faculty member at that. Believe me, part-time faculty members know just how poorly paid faculty members can be. It is so bad indeed that at the medical school in Halifax, doctors have to pay to practise as well as to teach at Dalhousie medical school. That is how hard-pressed our medical facility is in Halifax.

We have a number of universities in Atlantic Canada. I happen to have graduated from two of them, Mount St. Vincent University, the only women's university in the British Commonwealth, and Dalhousie University which bears one of the proudest names for its professional schools in particular in this country.

I have served on the boards of governors of both those universities as well as teaching at both of them and having been a student there. On top of that I was President of the National Board of the Alumni of Mount St. Vincent University. Therefore, I am fairly familiar with the workings and the financial exigencies faced by those universities. Believe me, the cuts to Established Programs Financing are putting a crimp in the style of those universities which could be fatal to their future health.

In the Atlantic universities now we have the oldest physical plants, the lowest faculty salaries and the highest university tuitions.

My colleague from Eglinton-Lawrence mentioned the fact that the SEED grants were down this summer. Down they are. With tuition rates as high as they are in Atlantic Canada, with the cuts across the board—and I am thinking particularly of Nova Scotia right now—both provincially and federally, the jobs for young people, for university students this summer are few and far between.

Let me illustrate. A relative of mine is opening up a business in Halifax which will hire six or seven people. Two weeks ago he held interviews and 400 young people showed up for the interviews—400. My young cousin, who is beginning this business, was depressed by the fact that he had to say no to at least 393 of the people who showed up looking for jobs. People who want to work, people who need to work so that they can pay the extra high tuitions that have to be charged to keep the Atlantic universities going. And what is there for them? Precious little.

Mr. Speaker, I see that you are telling me I have a minute left. Perhaps I can wrap into that one minute all the pleas, all the cajoling, all the berating and some of the insulting that I have done over the past two and a half years since I came to this Chamber. During that time I have had the pleasure of representing the people of Halifax and the pain of watching what deliberate government policy has done to them. So I say to the minister present, to the members present on the government side of the House, think about what you do. We are a part of this country too. We are citizens of Canada, equal and proud and with as much right to the joys and the benefits of Canadian citizenry as anyone. We resent most highly the way your policies have dealt with us and with our part of the country and we want to remind you that this resentment will not go unmarked.

• (1940)

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to participate in this debate on the budget bill, Bill C-20. I participate because I profoundly disagree with the economic and budgetary policies, not only of this govern-

ment, but of successive governments, in fact, going back in this country to Confederation.

We happen to live in one of the most privileged corners of the globe. We have a relatively small population, with a relatively high level of technological experience and infrastructure yet, as we look around our country today, we see how we are increasingly squandering our heritage.

I think any budget, including this budget and this bill, must satisfy three tests: first, what does it do about the inequality of wealth in this country? We have a country which, despite our wealth, has one of the worst records in the industrial world for a spread between rich and poor. Over a million Canadians suffer serious chronic poverty, many of them children, most of them women. Over the last six years; in fact, one can reach back into the seventies under successive Liberal and Conservative governments and find that we have increased that spread between rich and poor. This budget, this legislation, fails the test of what it can do for equality of income in Canada.

The second test is how a government, in this case the federal government, uses the power of budget and uses its economic policies to insert progressive social and environmental policies into the marketplace. It now appears that virtually all of us believe that the market has its place, the market is a very efficient tool for the redistribution of certain economic considerations and for developing a certain aspect of our wealth.

But I think all of us agree that the market fails to consider social and environmental factors in its decision–making. It is the responsibility of government and of Parliament to insist on certain social and environmental values, for example, the right of collective bargaining, fair standards in the workplace, pay equity, an end to discrimination, environmentally sound policies. This budget erodes the relatively inadequate policies that we already have.

Speaker after speaker has drawn the attention of this House to the abject failure of this government to take its responsibilities seriously for the maintenance of social and environmental standards: the shift of responsibility to the provinces, the erosion of our health care, the inadequate support for poverty groups and for women's programs in this country, the complete failure to take an effective lead in preserving our environment. This budget fails that test.

The third test is whether this budget contributes to the creation of wealth, how we as a country earn our living. We just had the advantage of going to Halifax 10 days ago and visiting the shipyard. I know from my own constituency in Victoria the state of the shipbuilding industry in this country. It has been allowed to collapse under the neglect of Conservative and Liberal policies over the last two decades.

We look at industry after industry. Liberal policies turned the fishing industry over to private companies and this government failed to respond to the disaster in the fishing industry on both coasts. We look at the destruction of the agricultural industry across Canada, the free trade agreement with its destruction of the manufacturing industry. Almost every industry and the way we have to earn our living has been turned over by this government to the marketplace, a marketplace which is increasingly owned by the United States, and other foreign capital, whose interest is not Canadian, whose interest is only in making a dollar for foreign investors.

As a result, our ability to earn our living is fast seeping out of this country. The government in the Speech from the Throne pays lip service to education and research. It says this is critical to make us competitive. Yet where is the money? Where is the leadership? What is the government doing? Zero. This government is failing future generations of Canadians in failing to ensure that education, training, and research in Canada is of first quality. It is a national responsibility that this should happen, that education, training and research should be given top priority. It is the only way in which we can compete in the future, and it will not be enough for the government to make nice statements in the Speech from the Throne. This government, in this bill, and in this budget, has failed Canadians.

Where do we go from here? We look at where the government has spent money. I am the defence/disarmament critic for our party and I have the budgetary estimates for defence. Let us look at some of the things it has chosen to spend money on. It cut programs for seniors, for women, for children, for prevention of crime through social development, it cut programs across the board that will help the ordinary people of Canada.

But look at some of the things it does spend money on. This year, in my own constituency of Victoria, the estimates provide $1.597 million for a new cadet dining hall at Royal Roads, and nearly $1 million for additional cadet quarters. For projects in other parts it is going to

spend over $16 million for new facilities for Canadian Forces maritime experimental and test ranges, $241,000 for new jetties, $695,000 for a new officers' mess, $3.7 million for programs in Kingston, Ontario, a naval reserve armoury, $1 million for a naval reserve division in London, $4 million for Moose Jaw, and nearly $8 million in Chilliwack, one of the bases that is said to be up for closure.

There is spending in area after area. There is $1.2 billion being spent on maintaining troops in Europe years after the cold war is over. For equipment which can only be used in Europe, for practical purposes, over $1 billion has been committed by the government in this year's spending estimates. In area after area, this government has its priorities backwards.

In the New Democratic Party, we say that it is time to give the people a voice in how the funds are to be spent. If you went to the people of Victoria, Mr. Speaker, and asked them whether they wanted to spend $2 million on a cadet mess at Royal Roads, they would say no. Sewage treatment is more important in the Victoria area. Education and training, support for universities and community colleges in our area is more important. Support for health care and health facilities in our area is more important. Even customs facilities are sorely neglected by this government. Public parks in the area are sorely neglected by this government.

• (1950)

It is time we had a fundamental change in how this country is governed. For too long, we have been governed by parties whose essential responsibility has been serving the corporate sector which is now primarily owned outside our country. It is time we had a change, a new government and it is time the people of this country spoke out and said: "This budget is wrong. This legislation is wrong. We demand a change."

Hon. William Rompkey (Labrador): Mr. Speaker, this bill is probably one of the most aggressive pieces of legislation ever introduced by the Government of Canada.

It should be known as the "bond and gag" provinces bill. That is exactly what it does. If we were to use a nautical metaphor, perhaps they are pushing the provinces to the end of the gang plank with a blindfold over their eyes. It completely restricts and inhibits the provinces for operating programs which people have been used to for years.

I am thinking of programs of not only health and education. The government started by cutting back on Established Programs Financing. What it means in the province of Newfoundland and Labrador is the closing of hospital beds. Provinces such as that depend heavily on federal transfer payments to operate hospital beds and classrooms.

They depend heavily on those transfer payments. When those transfer payments are cut back, one of two things has to happen. Either the province has to increase its costs because it is limited in the amount of tax revenue it can collect or it has to shut down classrooms and hospital beds. That has happened in the province of Newfoundland and Labrador as a result of the regressive and restrictive acts of the Government of Canada.

Beds have been closed and classrooms have been closed in the province of Newfoundland and Labrador. I should say too that this comes at a time when this country supposedly is entering what is known as the information economy, in which knowledge and education are more important than ever before.

In a province which has the highest employment rate of anywhere in the country, the young people who want a chance at a job, an occupation and a good way of life are restricted from getting that at the very time when that opportunity means more to them than ever before. That is the effect of the policy of the government. It is not just the last budget. The last several budgets have consistently restricted the growth of Established Programs Financing to the province of Newfoundland and Labrador.

Now the government has said: "If as a result of the cutbacks we have made in transfer payments for health services, you institute additional costs on the people who receive those services, that health care and that education, and if provinces such as Newfoundland and Labrador institute additional costs, you are going to be penalized. How are you going to be penalized? You are going to be penalized in the most severe and restrictive way you can imagine. We can cut any transfer payments to you as a province."

Any program that the Government of Canada now enters into with the province of Newfoundland and Labrador as a result of Bill C–20 can be cut. If that government were to try to maintain the level of services that were previously offered by increasing costs, which it would have to do as a result of the cutbacks of Established Programs Financing, it would be penalized by equalization payments being cut.

The province of Newfoundland is trying to increase those equalization payments. Equalization payments can be cut by the Government of Canada if the province of Newfoundland dares to institute costs which simply maintain the level of services that people are getting at the moment.

What else can be cut besides equalization payments? Grants in lieu of taxes can be cut. The community of Goose Bay is probably not unique in Canada.

It is one of those communities which does not have an established, strong private sector. It depends very heavily on the Government of Canada facilities in that town. There is an air force base in Goose Bay and about 2,000 people owe their living directly or indirectly to that. The municipal government depends on that as another community would on Abitibi or the Iron Ore Company of Canada or MacMillan Bloedel.

The Government of Canada in Goose Bay is in exactly the same position as a major corporate taxpayer and the Government of Canada transfers every year to the municipality of Goose Bay a great deal of its budget, the budget it, at the municipal level, uses to provide normal services to the people who live in that community.

If Bill C–20 goes through, grants in lieu of taxes can be cut. If the province of Newfoundland dares to increase costs to maintain a level of services, the Government of Canada can now cut out the grants in lieu of taxes to Goose Bay and every other similar community in Canada.

What else can they cut?

Native people, the Inuit, the Innu who live in Labrador depend for their education, their health services, their post–secondary education and for many of the services in their community on federal–provincial agreements between the Government of Canada and the Government of Newfoundland and Labrador because the Government of Canada transfers to the province of Newfoundland an amount equal to what it pays per capita on average to a native person anywhere else in this country. It transfers every year to the province of Newfoundland that amount for providing services to native people.

If Bill C–20 goes through and if the province of Newfoundland and Labrador has the temerity to increase costs in order to maintain a decent level of services, grants for native funding to Newfoundland and Labrador can be cut.

What else can be cut?

Many women who want to enter the work force are single mothers. Seventy per cent of all post–secondary education students, part time, are women. Many of those, probably the majority, are single mothers. Why do they want an education? They want an education because it is the only passport they have to success.

What happens to their children while they go after that passport? They must have day care.

If Bill C–20 goes through, the Canada Assistance Plan, which is the main vehicle for providing day care to those who have children and who yet want to take advantage of post–secondary education, can be cut automatically and arbitrarily by the Government of Canada if the province of Newfoundland and Labrador dares to increase its costs in order to maintain services because of the cutbacks of the Government of Canada in Established Programs Financing and other budgetary items. If it does that the Government of Canada has the right under C–20 to cut back the Canada Assistance Plan.

This is bad enough anywhere in the country. It is doubly worse in rural areas or in single industry towns and which are well away from urban centres, but in northern Canada it can be even more disastrous.

I have just cited the example of Goose Bay, a community of about 8,000 people which could be severely affected if grants in lieu of taxes are cut.

I thought that the Government of Canada had realized that it simply cannot treat everybody in this country equally. There are some who are stronger and there are some who are weaker, there are some who have a strong private sector and some who have a weak private sector. There are some who have well developed economies and there are some who have less well developed economies. If you treat everybody the same across the board, then those who are far away and remote suffer more than others do.

I thought the Government of Canada had realized that because in its policy on the taxation of northern benefits it showed some understanding. I would say that the policy now of this present government is more generous and more comprehensive than the policy under the previous administration. All we were able to do was maintain the lack of taxation of northern benefits. The present government has instituted a wider and more

generous program. I thought it understood the special needs of northern Canada, but it obviously does not.

• (2000)

Under this particular bill, under this most regressive piece of legislation we have ever seen, it has the right to cut payments to native peoples, payments to students, payments to patients in hospital, payments to single mothers and payments to all those who are disadvantaged wherever they live in Canada, in cities but more particularly I am thinking of those in remote areas.

This bill cannot be allowed to pass. Those of us in this Chamber must do everything possible to stop it. We must say now, to all those Canadians who are listening across the country that it is time we had a revolution like the one we had on gray power when the government tried to tamper with pension payments. We saw a movement among the people in this country which forced the government to cancel that particular initiative. The same force must be used here, the same political power must be used here.

If this legislation goes through, it will give the government an ironclad grip, unmercifully bearing down on the economic future of young and old alike, all Canadians no matter where they live, in urban or in rural communities.

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, Bill C–20 is part of the continuing and sorry saga of Tory cutbacks in federal transfer payments to the provinces. If there were no cutbacks at all, there would be no need for this bill, no need whatsoever. It would be business as usual. The government would continue as a full partner in medicare.

According to this government, the purpose of the bill is to provide the government with the power to enforce provisions of the Canada Health Act. With the government getting out of medicare in just a few years down the road, it would soon have no say in the operations of our national health scheme.

The Tories, and this is their line, have brought in this bill ostensibly designed to punish provinces which do not live up to the Canada Health Act. This is the Tory way of saying that we care about medicare. Do not believe it. Do not believe it for a minute. Do not believe it because there is a good chance that this bill, if it ever became law, would be thrown out by the courts.

Under our Constitution, the administration of health care is the sole prerogative of the provinces, and the provinces certainly will not let go unchallenged any law that would punish them for the way they run their health schemes.

The federal Tories have had a say in medicare since they assumed power in 1984, but only because they provided cash. Once the cash is gone, so goes the say in running medicare, Bill C–20 or no Bill C–20; it is as simple as that. In other words, this bill is a sham and it is a fraud. If the government really cares about medicare the way it says it does, then I say this: fund medicare. It is the proper thing to do. It is the only thing to do. It is exactly what the Canadian people want this government to do. Fund medicare and fund it properly. Medicare is a source of pride for all Canadians. It is one of the high points of our civilization. It provides us with one of those wonderful differences between ourselves and Americans. The Americans are deeply jealous of our system, deeply jealous of medicare. They wish they had it, and they wish they had responsible politicians who would give it to them.

Canadians were shocked when they heard a report from the National Council of Welfare the other day. The report said: "Soon medicare will be effectively dead as a national health insurance system." This does not come from a partisan political party, it comes from an advisory group to the federal government itself, and a highly respected group at that.

According to the welfare council, if the current trend continues, these cash payments to the provinces will first disappear in the province of Quebec just five years from now. The last payment, according to the current trend, will occur in the fiscal year 2009–2010, and that would be to the territory of Yukon.

If this happens, what would be the result? According to the Welfare Council—we will pick a group which is not partisan on this issue—it says, and I quote: "Without substantial federal cash payments, regional disparities would be magnified and people in poorer provinces would have to make do with health care services which are inferior to the services enjoyed by Canadians who happen to live in richer provinces".

The people of my province, Manitoba, understand that. They know that if they are left to finance medicare on their own, they would not be able to afford the kind of health care scheme that richer Ontario could sustain. If that were to happen, in a sense Manitobans would be turned into second-class citizens. That, to me, is totally unacceptable. To me there is only one kind of Canadian citizen, and that is a first-class Canadian citizen.

I believe, to my very core, that Canadians will punish any political party that does not give its full support to medicare and that is why I believe that they will defeat this government at the first opportunity. Canadians also have this warning. They warn anyone to beware of politicians who advocate putting medicare in the hands of the provinces. It is a warning because it is just a code word for getting rid of medicare. Those politicians know very well that the smaller provinces cannot afford the kind of medicare that we have become accustomed to.

What have we become accustomed to? Have we become accustomed to a scheme, to a national program that we really cannot afford? Not on your life. On a comparative basis medicare is a bargain. It is a bargain, particularly compared to what is available in our big neighbouring country of the United States of America. We Canadians spend only 9 per cent of our wealth on medicare, and from that 9 per cent of our wealth we receive full coverage.

What is the case in the United States? It spends 12 per cent of its wealth on its national health scheme. Under its scheme almost 40 million Americans have no health coverage at all, and another 100 million Americans have only spotty coverage. Think of it. We spend 9 per cent for full coverage while Americans spend 12 per cent of their wealth and they have poor coverage.

One other thing, and this should always be driven home, we spend no more as a percentage of our wealth on medicare today than we did 10 years ago. That is an absolute fact.

I want to say a few words about post-secondary education. I want to mention post-secondary education because these cutbacks in transfer payments to the provinces also affect federal support of our colleges and universities. Federal funding has made it possible for huge numbers of Canadians to go to college and university without having to pay exorbitantly high tuition fees. That is another of those wonderful differences between ourselves and Americans. Any cuts in the area of post-secondary education are very worrisome to me, and I would say very worrisome to most Canadians. I say that because of the real link between poverty and the level of education.

The Welfare Council printed a graph which shows very clearly the link between poverty and the level of education. This graph shows that almost 20 per cent of family heads with an elementary education live below the poverty line and 60 per cent of Canadian individuals with elementary education live below the poverty line. How does that compare with those who have gone to university? About four per cent of family heads with university education live below the poverty line and about 12 to 13 per cent of those with university education live below the poverty line. That is the link between post-secondary education and poverty and it is something that we should not tolerate.

• (2010)

The Tories talk about increasing competition around the world. How are we going to compete in this global environment if we cut back on education?

This bill should be defeated and it should be defeated now because it is simply a continuation of the erosion of federal support of medicare and post-secondary education.

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure to be able to rise tonight to discuss this bill. It is a bill which furthers the off-loading of federal responsibilities on to the backs of the provinces and, as in the case of other matters, the backs of municipalities as well.

In Saskatchewan we are only too aware of the results of the off-loading of federal programs on to provinces and municipalities. In fact, thanks to the efforts of members of the Saskatchewan Urban Municipalities Association the matter of RCMP funding was reviewed and readdressed by this government. RCMP funding is something that would devastate the funding base of Saskatchewan's smaller communities. Thanks to Mayor Carlson in Melfort, who headed up the Saskatchewan Urban Municipalities Association negotiation team, and representations by numerous members of Parliament in this House the issue was readdressed by this government.

We can only hope that the government will also be reconsidering the moves that it is making in terms of off-loading for education and health care spending as well.

Certainly, the off-loading restricts the provinces in their ability to do other things. Those other things are within their own area of responsibility, such as funding infrastructures within the provincial boundaries to ensure that we have good quality facilities for the delivering of education and health care, and also the structure of sewer and water systems in the provinces, highway systems in the provinces, and the other structures that we rely on for improving our quality of life.

A province like Saskatchewan, significantly rural in nature, relies heavily on that collective support base from the province and the federal government. The support base helped, during the CCF years in Saskatchewan, to deliver the electrification period to the rural areas. Without that we could not fly over Saskatchewan today and witness the bright dots of light all over that province.

It also means that if the province has good funding for education and health care it can support the other areas of economic concern which are the direct responsibility of the provincial governments.

I speak specifically here, coming from Saskatchewan, of agricultural issues. I personally would like to see the federal government take more responsibility for agricultural matters. I do not believe that the provinces should have the level of responsibility that they are being forced to accept for agricultural issues. Certainly if the funds were available to adequately finance education and health care then the provinces would be freer to fund such programs as the crop insurance and income insurance programs which have been developed recently. I am also quite critical about the agricultural support program that exists today.

I am very proud of the work done by New Democrats at our recent convention in Halifax, held just a weekend ago. Party members from all across Canada attended a national convention in Atlantic Canada. One of the main resolutions coming out of that convention was one dealing with farm policy on the prairies. It was very pleasing to me to recognize the unanimous support of Canadians from across the country for our agricultural policy.

I would like to bring parts of it to the attention of the House, because I think there is nothing more important than communication, sharing information and understanding. One of the things that impressed me about our convention in Halifax was that Canadians from broad, diverse backgrounds got together to discuss issues, the Constitution among them. This agricultural policy was developed by people who have an interest in shipbuilding, mining, real estate, teaching, small and medium sized businesses, and people who just have an interest in people in general.

The delegates to the convention recognized that GRIP, the Gross Revenue Insurance Program, a joint program supported by the federal government and negotiated with the provinces, did not return the cost of production to the farmers. They felt that it was very important for the government to develop programs that would do that. The delegates looked very closely at the way the GRIP was being administered and said: "This certainly off-loads federal responsibilities on to the provinces". It was another one of those programs which was tying the hands of the provinces for funds which they should not have had the responsibility for.

The federal government funds a piece of the program, but the producers, the farmers within that province, do not have access to those funds unless the provinces agree to support the program as well and kick in a certain amount of funding for it.

In Saskatchewan we are now seeing the provincial Conservative government being forced to harmonize the provincial tax system with the federal government's GST. They are saying it is because they have to support this federal government agriculture program financially.

Therefore, off-loading has really hurt the people of Saskatchewan. I do not have to tell them, but I tell members of the Conservative Party here in the House that the people who just a few months ago were not paying any tax on restaurant meals or children's clothing are now finding that they have the 7 per cent GST and now a brand new provincial 7 per cent tax being added on to those items and in the near future to all services—mechanics fees', accountants' fees, lawyers' fees and those sorts of thing which were not previously taxed either by provincial or federal government.

When this group of people looked at the agricultural policy, they felt that there were some very important things that had to be dealt with. The New Democratic Party has now developed a support program for agriculture, supported by members of the party from Newfoundland to Vancouver Island.

The resolution of the party is very specific. It asks that any agricultural program not down-load the costs to the territorial or provincial governments and to the farmers. It also asks that any program be based on the cost of production and not some artificial numbers that the government or someone else comes up with. It has pay-out levels capped at a reasonable level. In other words, in order to prevent the large farmers from getting the lion's share of any dollars available on support programs, they are evenly distributed to ensure that the small and medium sized producers get more, I would say in this case, than their fair share of the support dollars available. More important, the policy supports the marketing of all grains and oilseeds through the Canadian Wheat Board and would like the name of the Canadian Wheat Board changed to the Canadian Grains Board, indicating that the export marketing of grain would include oilseeds as well as grains.

• (2020)

Certainly the policy supports the reinstatement of a two-price wheat policy in Canada, the policy that this government implemented in order to help lower the price of breads in Canada because we would be able to bring in lower priced wheat for milling. In fact anyone who has bought bread in Canada knows that the change in the two-price wheat system has only been to the detriment of the farmer and not to the benefit of the consumer.

Our policy also suggests and demands that we continue the interest-free, cash advance program on a permanent basis and that it establishes a market assurance program in which farmers would be paid for unsold grain at the end of the crop year and storage would also be paid for that grain. Finally, the program would have to be sensitive to environmental concerns and to the need for sustainable production.

There is a great need for strong agricultural policy in provinces like Saskatchewan. We cannot deliver those types of programs if the hands of the provinces are restricted by federal policies tied to the off-loading of funding.

It is time this government and its supporters rethink the way in which they are looking at this type of government control over spending and develop much fairer programs that are much more inclusive for the Canadian population.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I am pleased to have the opportunity tonight to express my views on Bill C-20, an act which extends the government's cap on Established Programs Financing.

As members know, this bill already reduces the federal government's commitment to the federal cash payments that go to the provinces for education and health. It also invokes the increase in unemployment insurance premiums which were announced in the last budget among other things.

This government has been talking for some time about the need for Canada to be internationally competitive. I do not think anyone quarrels with that objective, but certainly a government is judged or should be judged on its deed and its policies, not on its words and on its rhetoric.

In 1991 the former finance minister said that the world economy continued to grow more fiercely competitive. I want to quote what he said. He said that the fundamental problem is that our underlying ability to compete in the world marketplace has been falling behind that of our trading partners.

I commend the government for recognizing the problem, but I certainly condemn it for doing nothing about it. In fact, this government continues to bring in policies that have a negative effect on the institutions which train, educate and prepare our future work force for the challenges of international competition.

How are we going to compete in this fiercely competitive, international, economic environment if our work force is not equipped to compete?

This legislation that we have before us this evening continues the cap on the federal transfer payments for health and education. Right now universities are already feeling intense pressure from the federal government's cutbacks to date. We should be encouraging Canadians to attend post-secondary institutions. Instead this government is making policies that have a detrimental effect not only on the quality of the education experience, but on the financial capability of young Canadians to afford this necessary education.

I look at my own province of Prince Edward Island where just recently the University of Prince Edward Island announced that it would have to raise tuition fees 15 per cent. Student loans have not increased since 1984. Students are also feeling the effects of the GST. They even have to pay the GST on books. They have also been inflicted with a 3 per cent administration fee on student loans. These policies are all detrimental.

To tell you how it affects these students, I want to quote what one student has to say. A 21-year old honours physics student from the University of Prince Edward Island was quoted in an Island newspaper to have said: "I blame it on Mulroney. He really put a damper on higher education. He has been cutting grants left and right, freezing funding to the provinces. It is no wonder".

This government's policies are causing a deterioration of our education system both in quality and accessibility. It is not just the students, the educators, and the opposition members of Parliament who are concerned about this government's lack of support for education. The report by the National Council of Welfare released earlier this month expressed concern about the ability of the less prosperous provinces in our country to shoulder this increased debt that the federal government is pushing on to them.

Another report concluded saying that their continuing fear is that economically disadvantaged people in all areas of this country, as well as Canadians from the less prosperous regions of our country, will be denied equality of opportunity if the federal government continues the present trend.

If one looks at the per cent of the Gross National Product that each of the provinces contributes to health and education spending one sees very quickly that the eastern provinces will be at a distinct disadvantage as the federal government reduces its commitment to education and health.

In my province of Prince Edward Island health and education spending is equivalent to 10.5 per cent of the GNP, whereas the average in Canada is a little over 7 per cent. What it means when we pay 10.5 per cent of the GNP as compared to the average of 7 per cent is that the burden of educational funding is much greater for provinces like Prince Edward Island. The impact of the decrease in the federal financial commitments is much more on this region than on any others.

In other words, what I am saying is that provinces with larger and stronger economies will have less difficulty raising that tax revenue than those with smaller economies.

If this type of government policy continues, there is no doubt that it will lead to regional discrepancies in education quality and inaffordability. It will mean that students in a more prosperous province which can afford to maintain and increase its level of educational funding will have a greater opportunity to succeed than students in a less prosperous region.

• (2030)

The long and short of this is that many of our young people will not receive the training, the education or the skills that will be required to compete in a highly competitive global market.

I have talked about the future, but I want to speak for a couple of minutes about what this bill will do to our present ability to compete. Certainly small business today is considered the engine of the economy. Roughly three out of four new jobs are created by small business. You would think that if a government wanted to put people back to work and stimulate the economy, it would bring in policies to help small business.

This government does not do that. In fact, it brings in policies that hinder small business. In this bill before us tonight, we have unemployment insurance premiums that will be increased 24 per cent. This increase becomes effective July 1 and this extra expenditure follows a record of bankruptcies of approximately 77 per cent last spring.

I think that one of the most frustrating aspects of this government's lack of policies for small business is watching as the government afflicts its attack on small business, knowing that small business is not the corporate elite. We are not talking here about the jet set, the executive lifestyles, the Bay Street society, the private clubs or the yachts in the harbour. We are talking about the farmer, the fishermen, the tourist operator, the corner bakery and the antique dealer.

Many of these people live in my riding, and they spend a lot of time, effort and energy in their work. Yet, this government continues to inflict more taxes, more paperwork and more reasons to reduce its work force than to expand it.

I want to conclude by asking this government to withdraw this bill. By doing that, it will help to ensure that our work force will receive the education, the skills and the abilities to compete in this very fast-changing, global economy. Also, it will help to ensure that we build a strong, competitive, Canadian economy.

[*Translation*]

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, thank you for giving me this opportunity to speak to Bill C-20. As you know, Mr. Speaker, this legislation deals with federal-provincial fiscal arrangements and federal post-secondary education and health contributions.

Since 1977, the federal government makes contributions to health care and post-secondary education through the transfer of tax points and cash payments. Federal support for health and post-secondary education was supposed to keep pace each year with overall economic growth. Unfortunately, since 1986, support has been reduced as result of a series of decisions made by the Tory government, ostensibly to reduce the deficit. If this trend continues, according to the latest report by the National Welfare Council, the entire amount transferred in cash for health and post-secondary education under the 1977 fiscal arrangements would disappear in a matter of years.

Furthermore, if federal support continues to be cut, Canada will be faced with 12 different provincial and territorial systems instead of the national medicare system we have now, which varies very little from one end of the country to the other. If balkanization occurs, we will probably see a return, in many regions, to extra billing and hospital user fees, something the 1984 Canada Health Act had practically wiped out.

[*English*]

Bill C-20, the Budget Implementation Act, is to amend the Federal-Provincial Fiscal Arrangements Act, Parliament of Canada Act, Public Utilities Income Tax Transfer Act and the Unemployment Insurance Act.

This is a very regressive bill. It will affect the fiscal arrangements between the provinces and the federal government, all provinces and the territories and the federal government.

It can affect areas of health care, child care, welfare payments, taxes, grants in lieu of taxes to municipalities, aboriginal grants.

It will affect farmers in the sense that they can cut back on crop insurance. It will affect students in post-secondary education especially and an area that has not been mentioned too much today, listening to the debate off and on, official languages and education. It will affect the young offenders services by the possibility of those transfers being cut to provinces.

It could affect legal aid programs and last, but not least, it could also affect transportation grants to provinces and municipalities.

That is one area that I am very concerned with also, seeing that it could very well affect moneys that are destined to airports for their operations. I have the Shilo airport in my riding which is in much need of funding at all times and cannot afford to be cut.

When we talk about Bill C-20, I mention that it does affect the UIC and the unemployment insurance provisions within this legislation reverse the government's promise to help finance the program in difficult times.

If we go back a little bit and we look at the 1989 budget, the then finance minister pledged and I quote: "The government will continue to contribute to the financing of the program in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build up in the unemployment insurance account."

Given the extremely difficult economic times now faced by Canadians, the need for the government to contribute to the fund is quite obvious. I find that very amazing. I guess down east we would not use the words "broken promises". We will be very outright and use another word which is not allowed in this House, but we are very concerned with the way and the direction that this government is going in at this point in time.

When we look at the bill in its entirety, I guess the biggest chunk of it has to do with cash payments from medicare and higher education. One of the areas that we should look at is the report recently published by the National Council of Welfare. They they seem to substantiate their information. I will just read a quote here from one of their press releases. It says here and I quote: "federal cash payments from medicare and post-secondary education will disappear within a few years unless new fiscal arrangements are negotiated with the provinces and territories."

Looking at that report, and I notice that a number of my colleagues used that report for the basis of their speeches today, I should point out to those who are listening that the National Council of Welfare is not a Liberal organization. It is not a Conservative organization. It is non-partisan. It is a group of individuals mandated to advise the minister on matters pertaining to welfare, to the Health and Welfare Act and whatever. It is a group that is there to advise the minister. What are they actually saying? One of the things they are saying is that if the cuts continue, we could end up with 12 vastly different provincial and territorial medicare systems; we could end up with extra billing; we could end up with hospital user fees—we saw that in the past; we could end up with wholesale closures of hospital beds. In fact one of the statistics that is mentioned indicates that with these cuts there are going to be about 10,000 hospital beds closed across Canada.

• (2040)

Coming from Atlantic Canada, there is certainly an issue down home, and that is the question of regional disparities. According to the National Council of Welfare, regional disparities are going to be increased. So it certainly is a concern for me and for members from Atlantic Canada.

If I could quote from this document, Mr. Speaker, on page 6 it says: "Without federal support, poorer provinces would be left with essentially two options, neither of them appealing; they could either raise provincial taxes to intolerable levels to support health and higher education as they now stand, or they could eliminate all but the barest of medical and educational services."

What we are going to end up with and what the council is trying to warn us of is a system for the rich and system for the poor. We could be going back in history, back to medieval days, if we want to use those terms.

On the weekend I had occasion to meet with a number of my constituents off and on, and at that time one of the questions they posed—and I have been getting this question quite often—is: What is going on up there in Ottawa; what is wrong with this government; can it not see the light up there? This bill is a continuance of that. They cannot understand how a government could be so cold and callous in introducing these types of bills.

This bill in itself, this Bill C-20, is a blatant attack on rural Canada, it is a blatant attack on all of Canada and it is certainly not acceptable to most citizens in Canada. It is going to force provinces such as mine, New Brunswick, to make some tough decisions, and they have already been forced to make tough decisions. The people of New Brunswick recognize that the province of New Brunswick, the government that is in power at the present moment, is forced to take these decisions because of the government in Ottawa cutting back on these fiscal arrangements.

[*Translation*]

Mr. Speaker, at a time when Canada is going through a critical period in its history, the government must take steps to promote national unity and reduce regional disparity. However, if the federal government keeps reducing cash payments, regional disparity will only get worst. Residents of provinces that are less well off will then have to make do with health services and post-secondary education that are lesser in quality than the kind enjoyed by Canadians in the richer provinces.

[*English*]

Mr. Speaker, I would urge all members to vote against this bill.

Mr. John Manley (Ottawa South): Mr. Speaker, the hon. member for Markham seems to have finally figured out where he stands on this bill. Perhaps I can offer him some further thoughts before he begins.

I would like to stay and hear what he has to say, but first of all I would like to associate myself with—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Markham—Whitchurch—Stouffville.

Mr. Attewell: Mr. Speaker, I would just like to perhaps test the generosity of my colleague over there. We worked on the finance committee together and have a very good friendship and chemistry and so on, and perhaps it was an oversight of yours, Mr. Speaker, but I thought I was going to start speaking now.

The Acting Speaker (Mr. Paproski): It was really no oversight, I just thought I would give the hon. member little more time to prepare. The hon. member for Ottawa South.

Mr. Manley: Thank you, Mr. Speaker.

I would like to associate myself with a number of remarks that were made in this House on a very similar issue, and I would like to read them into the record because this previous speaker in this House dealt with the issue of how the federal government funds health care and post-secondary education in co-operation with the provinces.

These remarks were given in the context of changes in those arrangements that were being proposed by the federal government of the day.

> The government had large revenues in earlier years; it established a number of programs and forced its will on provinces; it invaded the provincial fields of education and medical care. But now it does not have the money nor the will to control its spending so that it can continue to finance its obligations and responsibilities to these programs. It now wants to shift the problem over to the provinces, it wants to shift the deficit problem which has built up to such enormous proportions at the federal level down to the provincial level.

He goes on:

> This is no time for confrontation and it is no time for unilateral action. This is a time when we need co-operation to nurse the tender relationship which exists between the two levels of government.

These remarks were made on March 23, 1982 by the member for Etobicoke Centre, currently the Minister for International Trade. He goes on to say a few other things to which I would like to refer:

> We have a problem here which is partly financial, the government has a major deficit problem. This has been building up over the past 10 years and I think the government must deal with the problem. However, there is a very clear question as to how it should be addressing it. Should it be addressing that problem from the standpoint of unilateral cuts, throwing the problem of the deficit onto another level of government, or should the government be addressing the problem in its own house?

He goes on:

> The government does not seem to realize that there is only one taxpayer who pays the taxes for the federal government, for the provincial governments, as well as for the municipal governments. That taxpayer does not care where the service comes from, he wants the service. That taxpayer wants to see the service provided to meet his needs. This is why we have such a cynical attitude toward government today. This government is showing utter contempt for the taxpayer by doing that sort of thing. Therefore, we must rethink this whole system, this system of federal-provincial relationships, so that we do not have such unseemly squabbling between the two levels of government over which one gets credit and which one pays at the end of the day. Governments must get together.

That is the end of the quotation, but the member for Etobicoke Centre, currently the Minister of International Trade, the former Minister of Finance who brought in the budget which contained these changes to the EPF arrangements, was exactly right. He was exactly right. It was not the time then, it is not the time now, it is never the time in a federation like Canada for governments to act unilaterally on fundamental matters that go to the relationship between governments.

The problem that we have today which this bill tries to address is only partly a financial problem. I think we would be wrong not to recognize that there is a financial problem and that it needs to be dealt with. The fundamental problem we have here goes beyond that. What are the basic things that Canada consists of? What is the nature of the social contract that exists which binds us together as Canadians? Why is it that we have a nation stretching from east to west against the normal pull of geography, with a very unlikely combination of people, which has managed to stay together for almost 125 years?

What are the kinds of commitments that we make to one another each time we pay our taxes, each time we go to the polls and vote? What is it that we are saying to one another? I suggest that we are saying something not just about where we were born or what our citizenship is, we are saying something about the nature of the relationship we expect between ourselves as individuals and our governments.

I want to look for a moment at the provisions that have been introduced in this budget relating to unemployment insurance. Again, I would like to quote the member for Etobicoke Centre, who presented the 1989 budget in which the concept of changing the unemployment insurance fund so that it was entirely funded by employers and employees was introduced.

• (2050)

He said: "The government will continue to contribute to the financing of the program in difficult economic times when it is inappropriate to raise premiums and prudent to allow deficits to build in the unemployment insurance account".

I am not sure that anyone has noticed, but we were in a recession from the second quarter of 1990 which continued until the time this budget was presented. Surely to goodness this is when it is inappropriate to raise premiums, to use the minister's words.

Look at what was done six days prior to the 1988 election when, of all things, the economy was not in recession. In 1988 the economy grew almost at 5 per cent. What did the employment minister at that time do? On November 15, 1988, six days before the election, she announced that employer and employee premiums were to be cut and weekly benefits were to be increased. That, at a time when the economy was in a period of rapid growth, was absolutely disgraceful.

What happened a few short months after that? An overheated economy had to be cooled down by a policy of high interest rates, following a year not only in which unemployment insurance premiums had been reduced, but in which income taxes had been reduced and in which monetary policy according to the governor of the bank himself was perhaps unduly relaxed just before an election. We go into 1989 and interest rates have to be increased. What was the effect of that? By the second quarter of 1990 we were in a recession.

The Minister of Finance, as he soon became and as he was not yet back in 1982 when he gave those remarks which I began with, was talking about a cynical attitude toward government. He had seen nothing at that time. Cynicism is now the order of the day in Canada. I suggest that the kinds of things that this government has done with tax policy, with unemployment insurance and with transfer payments, are at the heart and root of much of the cynicism we have in Canada today.

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I would just like to mention a few facts because I think some of the statements made tonight are not necessarily factual.

Let me just talk a little bit about some comments I have heard just in the past few days. Most people or certainly a good number, when we talk about transfers to the provinces, seem convinced that we are reducing the dollar amount. Let me make it very clear that we are not. The dollar amount over the years since we have been in government has gone up by billions and billions. Our plans are that the dollars will continue to go up. Let the record show that dollars are being increased. The percentage increase is less, but it is still up.

Thanks to perhaps the media and the opposition parties one would think we were slashing the CBC by several hundred million dollars. Not so. Our total subsidies to the CBC will be between $800 million and $900 million this year, and they are going up.

I think our record on restraint has been, in all honesty, quite remarkable. Our average increase in spending for almost seven years is about 3.6 per cent or 3.7 per cent. Compare that to the provinces over the same period. Their average increase is about 7.2 per cent. Regrettably Ontario is leading the pack. Under the Liberals the average increase was a little over 10 per cent. Now we have a new government there and the increase planned by the NDP government is something over 14 per cent, if you can believe that.

We have taken moves on privatization: Air Canada, Petro-Canada and de Havilland. These were all moves which neither of the other parties would ever have supported. We have made some very difficult decisions quite recently in terms of much needed restraint. The public servants' level will be frozen this year. There is a commitment to reduce the layers of management in the bureaucracy. The commitment includes the termination of 10 per cent or at least 475 executive jobs.

Rather than me as a member of the government party going on and on about a number of these accomplishments, I would like perhaps to take a different route to get this in a better perspective.

I would like to make some quotes from an article in *The Ottawa Citizen* last June 13 written by Marjorie Nichols of *The Ottawa Citizen* staff. This is clearly an impartial reporter and a woman very respected, certainly on Parliament Hill. I will start with some of her quotes:

> Historians in pursuit of causes for the calamitous decline in popularity of the federal Conservatives need look no further than the public relations disasters of their fiscal policies.
>
> Instead of distributing the fiscal facts to their taxpayers, the Tories succumbed to their fatal weakness: the need to put a "spin" on reality.
>
> The facts are that this country has its debt under control and its spending under the most stringent restraint in the western world.

This is not Bill Attewell speaking; this is Marjorie Nichols. She continues:

> Yet, the perception persists of a nation managed by a gang of irresponsible spenders in a nation teetering on the edge of bankruptcy.
>
> In truth, the Conservatives have succeeded in their seven years at the helm in reversing the country's fiscal direction.
>
> The Government of Canada is now running a program surplus of $13 billion. Next year's surplus is expected to be $20 billion.
>
> To put it another way, if it were not for interest payments on the national debt, this country would be running a huge cash surplus.
>
> Program spending is all government spending except for payments on the accumulated debt, which now totals about $400 billion.
>
> The Tories have literally reversed the country's fiscal picture by adding $30 billion annually to the credit side of the country's ledger.
>
> The Liberals during their last years in office were borrowing to pay for government programs, a situation that can be likened to a taxpayer using a Visa card to pay for groceries and rent.
>
> The Tories have turned around the entire fiscal mess that they inherited. Instead of borrowing to buy the groceries, they are now paying off their Visa card.
>
> The budgetary deficit numbers actually distort the fiscal truth. In fiscal 1984–85, the Liberal budget deficit was $38.3 billion, of which $16 billion went to pay for "groceries"—federal programs and salaries.
>
> In fiscal 1991–92, by contrast, the Conservative deficit will be $30.5 billion, all of which is interest charges on the national debt.
>
> Instead of bragging about its fiscal management, the Mulroney government decided immediately after the November 1988 budget to try to persuade Canadians that the national debt was about to make the sky fall all over Canada.
>
> Then–finance minister Michael Wilson kicked off his doomsday campaign in his February 1989 budget speech.
>
> "We, as Canadians, have a serious problem," Wilson told the Commons—"our large and growing public debt. In the time it takes to present my budget, that debt will grow by $3 billion."
>
> The Tories also exaggerated the national debt by including nearly $100 billion in bookkeeping accounts that bear no interest debt. Things like future public service pensions.
>
> It was scary stuff. And the government's sales campaign was a rip–roaring success. Every Tory with access to a microphone stoked the fires of fiscal doom with verbal kindling.
>
> A major attraction of the Reform party—perhaps its major attraction—is its pledge of fiscal frugality. Leader Preston Manning runs around the country promising to cut 15 per cent of all federal public service middle managers.
>
> The marvel is that Manning is attracting crowds with such absurdities. There are 50,000 fewer public sector jobs in this country than when the Tories took over. And federal spending has increased by an annual average rate of only 3.7 per cent, an achievement unmatched anywhere.
>
> Common sense has now overcome the Tories, who have begun telling the unvarnished truth about the state of the nation's fiscal affairs.
>
> Like others, I was skeptical when the prime minister appointed Don Mazankowski to serve as finance minister. Mazankowski is a former small–town businessman with no economic expertise.
>
> It appears, though, that the Mazankowski appointment may turn out to be a brilliant stroke. The opposition has not been able to lay a mitt on the straight–talking, straight–dealing former car dealer from Vegreville, Alberta.
>
> Trying to pin "Maz" to the carpet in the Commons is a task akin to pinning jello on a bulletin board.
>
> Canada's fiscal future is bright. Trouble is, Canadians do not know it because of the Tory spin doctors.

• (2100)

I have laid it all out there. That is the end of her quotes. Clearly, we have a big communications job ahead

of us. We have taken more difficult decisions in the past three years than any government took in the past 50 years. Making decisions for the long-term good of Canadians has its price. It is easy to make short-term decisions, handing out money here and there. I am very proud to have been a member of this government. We expect to go onward and upwards as we get that message out.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I would like to know why it took the member 15 or 20 minutes to prepare to read a column by Marjorie Nichols. If he did anything more in his talk than that, I did not catch it.

Ms. Nichols has many good qualities, especially the fact that she was born and raised in Alberta. I do not think she has ever passed herself off as a financial analyst.

The "ungetaroundable" fact for the member is that during six good years in the economy those opposite have added, I think, $210 billion to the national debt of the children, the parents and the grandparents of this country. Paragons of fiscal responsibility they are not. I know the members think that compound interest only began in 1984. It did not. It began way back in the never, never land when unfortunately deficits began to creep into our national practices.

That has to stop. On that I fully agree with the member and those opposite who talk about fighting the deficit. Every time one of them gets up they tell us: "We have been fighting the deficit". As I say, the facts are that the former Minister of Finance has added more red ink to the ledgers of Canadians than all of the other finance ministers in Canadian history, during six good years of the economy.

Mr. Speaker, before you say I am not speaking about Bill C-20, I would ask members to reject this bill for, among others, the following reasons.

It will effectively limit the access to a post-secondary education for many people. It maintains the freeze on the growth of the Established Programs Financing transfer payments until 1995. I am sure that many members have already dealt with those issues and I will not reiterate what has been said.

The Federal-Provincial Fiscal Arrangements Act of 1977 provides for federal support for health care and post-secondary education in two ways: transfers and federal grants based on domestic productivity. In an attempt, albeit not a very good one, to make those EPF transfers equitable to all regions the value of the tax transfers was fully equalized.

It is estimated that the EPF entitlements for 1991-92 will top $20.4 billion, according to the National Council of Welfare. It seems like a lot, an awful lot. However, if we look at the amount the federal government actually contributed to those programs in 1977-78, in 1991 dollars total EPF spending came to $16.4 billion. The 1990 budget froze all EPF entitlements for two years. After that the funding formula for federal grants was set at gross GNP minus 3 percentage points beginning in fiscal year 1992-93.

Now if that was not enough, the 1991 budget told us that the EPF freeze will remain in effect until 1994-95. This brings me to Bill C-20, a bill which legalizes this form of financial terrorism against the provinces and the ordinary people of Canada, the people who do not live in Markham—at least as far as I understand the incomes of the people who live in Markham.

If the bill is passed and its provisions implemented, the federal government will be denying Canadians $97.6 billion worth of services and resources provided by health and post-secondary institutions until the year 2000.

This would have been paid out to the provinces if the growth rate had averaged 7.5 per cent a year and the Tory government had not decided to stick it to the provinces. Even more disturbing to health and educational groups such as the Canadian Federation of Students, the National Council of Welfare, and the Canadian Association of University Teachers is the value of the tax points turned over to the provinces. The value of those tax points will likely increase by 8 per cent a year since the Tory assault on the EPF began.

As cash transfers rise, federal contributions gradually become an afterthought, so much of an afterthought that by the year 2005 the federal government will no longer fund EPF programs directly, only through tax transfers. I say: "Shame".

The effect on post-secondary education has been staggering. Anybody who has attended university recently or helped pay for the higher education of a son or daughter knows that both the federal and most provincial governments have abdicated responsibilities in that regard.

Let me mention somebody who graduated from university only a year ago. When he enrolled as a freshman he paid roughly $1,500 for tuition and books. Four years later in 1990 he paid over $2,000 just to walk on campus in the final year. At the ripe age of 23 this person is in debt to Canada Student Loans for $11,000. That is just for a bachelor's degree. He, like the vast majority of other students, would not mind paying a higher price for higher education in Canada. The tuition hikes would ease over-crowding of classes, purchase more academic resources and personnel and pay for capital initiatives.

However, as we all know, the provinces have not seemed to take a very active interest in post-secondary education, a responsibility granted to them under the BNA act of 1867. Tuition hikes have by and large only covered the losses on annual provincial operating grant cuts.

Under the mandate of the tax transfers agreement the money raised is not ear-marked for post-secondary education. If the provinces had been spending what they were supposed to on higher education we would not have the situation today where so many universities and community colleges are understaffed and inadequately equipped.

We have had several commissions of inquiry including the McDonald inquiry and they have all called for the federal government to play a more active role to ensure a national standard of post-secondary education is met. Indeed, did not the throne speech speak about national standards.

In the age of globalization a renewed commitment to quality higher education has never been more important. Constitutionally the federal government could be well within its rights to undertake this because we are substantial contributors to the operating grants of post-secondary institutions and are therefore entrusted to ensure that the national interest and common good be served.

In my view post-secondary education is not merely another service to be paid for mostly out of tax dollars. It is about as important an investment as society can make. We only have to look at the economic miracles of the Pacific Rim where countries have invested enormous sums of money in education and R and D. Those countries did not become economic powerhouses by accident. They made the initial investment and now it is paying off for them handsomely.

I say this for the benefit of my friends opposite who hold people on this side of the House in disdain for our supposedly irresponsible spending habits. It is well known that any economist can tell you that a society is only as good as its ability to compete. Look at Singapore. Look at Taiwan. Look at Japan. If there is anything that is going to get us out of this recession and out of this mundane cycle of booms and busts and into the realm of a truly prosperous society it will be a solid commitment to higher education with emphasis on quality and accessibility.

Recently I have been attending high school graduations in Edmonton. I have been asking myself where these young men and women, full of ability, energy and brains, are going to find the jobs, the careers that we need, they need, and the whole country needs. I hope it is clear that the federal government must not abdicate its responsibility for education and training.

What has this government opposite and its provincial counterparts done instead? They have cut, they have slashed, and—to speak figuratively—they have burned. In 1977 dollars general operating grants to universities and colleges have averaged $5,426 per a full-time student in 1978. In 1988 those grants averaged $4,492, in 1977 dollars, per full-time student according to Statistics Canada.

• (2110)

Why is it so hard for those opposite to understand why we cannot compete with many other global economies? Post-secondary education cannot be described only as a better future for our children. It is the key for a better future for our entire population. If we cannot have a strong economy, we cannot afford our social programs.

How do we get it across to those opposite that it is essential to have a strong economy before our pensioners, disabled communities and others will be able to get the social benefits they need. However, the Tories want to fritter away this responsibility just like they frittered away so many others.

Bill C-20 will ensure that the federal government has no way of maintaining national standards in higher education such as the Canada Health Act ensures that certain health standards are met. The quality of education will not remain the same in every region, I am sorry to say. In fact it is a sure bet, as the member for P.E.I. indicated earlier, that some provinces will have better standards than others; the wealthy provinces will have better standards than the poorer ones.

The provinces are ill-equipped to take on that responsibility with their current taxation bases and powers. If there were ever an attempt to destroy co-operative federalism, Bill C-20 will certainly help to get the job done. The former finance minister is not doing our country any favours with this bill. He is simply ensuring that Canada is reduced to a collection of 10 little fiefdoms to hog tax credits.

I would like to close with a scenario for those opposite. It is estimated that under the EPF funding formula this bill will usher in, health care and higher education will gradually become things of the past to the federal government.

According to the National Council of Welfare per capita EPF federal payments to the provinces will actually be below the initial amount paid out in 1978. By 1995, the federal transfers to provinces will equal $689 per person. In 1978 dollars, it equals $705. In short, it seems to me that this bill is an exercise in nation busting and harmful to Confederation.

I wish that some of those opposite would get up and defend the bill. How can our children be proud of a nation that does not care enough to provide satisfactory training and resources to help catapult our country into the big leagues of competitiveness. If the government insists on making higher education inaccessible to those without high income, so be it. Let us have the $15,000 annual tuition fees we see in the United States.

At the very least, quit the charade that the federal government is actually participating in a national strategy on post-secondary education.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, it is a pleasure to participate in the debate today and to put on record some of the views of my party and I, but not a pleasure because of the subject matter we have to speak on tonight.

We are debating Bill C-20, legislation to implement some of the budget items tabled in this House on February 26. We are just now getting around to the legislation actually to implement some of those measures.

It is remarkable for people at home who are perhaps watching on television to see what a government can do with six pages. This legislation has six pages. It is remarkable just exactly how much a government can do to attempt to destroy what has been done to date and to tear apart much of what we have come to see in the country in terms of how our federal government has worked with the provinces in trying to develop both our post-secondary education and our health care systems which are major parts of this bill.

Part of the legislation amends another piece of legislation with a very lengthy title, but essentially it is legislation that lays out the fiscal arrangements by which the federal Government of Canada transfers funds to the provinces for both health and post-secondary education.

What we have learned through the budget and obviously the legislation to implement those measures is an ongoing withdrawal by this government from the field of helping Canadians in terms of health and education. It is clear that our universities, our colleges and our health care institutions are threatened by this government.

Why is it doing that? It is my belief—and I believe that a lot of Canadians feel this—that this government does not believe in health care. It does not believe in education in this country. The way we have attempted to achieve this has been through legislation by which the federal government shares with the provinces the funding for many of these important measures.

It is clear, if we take a look at any of the advanced economies in the world today, that those economies which have developed are those that have invested funds in education, post-secondary education, and have developed health care standards as a right.

It is clear that this legislation will give this government more of an opportunity to withdraw from that field than it has ever had before.

I ask why. Frankly it was a relief last week, I believe it was, when the finance ministers met in Charlottetown. I hope they had an opportunity to visit Province House, as I did once before, to see where Canada started. Maybe the Prime Minister, if he has not visited Province House, should go there and get a little dose of nation building. It is very sobering to be there and recognize where the

fathers and now the mothers of Confederation really started to talk about our country. It was a relief to hear for the first time in some time a finance minister—and I am talking about the finance minister from the great province of Ontario—speaking out for average Canadians, for people who need protection, for Canadians who need the health care and post-secondary education we are talking about to build a better Canada.

It was a relief because of the legions of Tory and Liberal finance ministers we have had to put up and listen to for the past number of years display their litany of ways in which to trash government, to trash some of the innovative programs that have been developed in this country. It was a relief to hear a finance minister talking about people and the kind of services that a government can deliver to people.

All we have to do is to look at that litany and that record, that tragic record we have had from previous governments, both Conservative and Liberal. I think in particular about the legislation we are dealing with right now, the legislation that talks about the transfer of funds to provinces for health and education.

I am thinking primarily of changes that were made in 1977 when we went to a block funding formula where the federal government in essence gave a blank cheque to the provinces to spend those transfer payments as they wished.

In my province—and I have mentioned this before in the House—there are many who alleged that Socreds paved highways with health and education dollars.

What is important is what should have been in this bill, what should have been part of Bill C-20, an amendment to the previous legislation that would have compelled the federal government to show clearly to Canadians that when it transfers its tax funds, our tax funds, Canadians' tax funds, to provinces to spend on health and education, that is where those funds are spent.

That is an important principle missing from this bill. It should have been in there. I would hope, certainly in the future, that whatever government it is will consider introducing legislation to that effect. That is the vehicle by which a federal government speaking for the nation, for the country, for all of its people, sits down and works with its provincial colleagues to develop the kind of education and training programs that can ensure in our country we are a leader and we are entering the competitive world the new trade minister talks about and that we can have a revolution in the health care from the cradle to the grave. We need a cradle to the grave system of health care now more than we have ever needed it before. With this kind of legislation we are not going to have the opportunity to do that, be it this party that forms the government or obviously government members opposite who have no interest in doing this. As I said at the beginning of my remarks, if there is one piece of legislation that is the plank in the Tory destruction of Canada's social programs it is these six pages that we are debating tonight. It is frightening what this government can do in six quick pages.

• (2120)

I hope that the government members will see the light of day, vote against this legislation, and help us build good education and good health care in Canada.

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, during the last election Liberals attempted to warn Canadians of what they could expect from another four years of Tory rule. Those predictions seem now rather prophetic as we have seen this government's decision manifest into the hardships that are being suffered by Canadians in 1991.

Before the House today is Bill C-20, the latest chapter in the Tory guide to social Darwinism. Medicare, post-secondary education and unemployment insurance were sources of hope for the poor and security for the middle class. Bill C-20 marks the end of that hope and security for so many Canadians.

Ironically, Canada is regarded as the last hope for medical refugees from the United States. We have all seen recently the U.S. congressional hearings which depicted the tragic circumstances of people whose children will die because they have been cut off by their insurance company and cannot afford the treatment their children need to stay alive. Canadians to date have been spared that kind of tragedy by a more humane system of health care that was established and improved upon by a series of Liberal governments over several decades.

This government has been relentless in its assault on the institutions that have benefited all Canadians and have in the past attracted so many people from around the world.

Recent ministers of health and welfare have tried to defend this government's underfunding of medicare by accusing the opposition of trying to frighten the elderly, the sick and the poor. It is the elderly who will have to worry about whether or not their local medical establishments will have the funds to provide the constant care they need. It is the sick who have to spend several days on stretchers waiting for one of the few beds not already closed for lack of funds. it is the poor who cannot escape the waiting list for cardiac surgery by travelling to the United States and paying for treatment out of their own pockets.

For many of these people it is too late to be frightened. They put their trust in this government only to find that their trust has fuelled their own misfortune. Many of these Canadians now feel that in 1988 when they buried their ballots in the box they put medicare on death row.

The ministers of this government have tried to relate their financial decisions to those of ordinary homemakers. I know, however, of few homemakers who would not spend whatever money was necessary to buy medicine for their children. I know of few parents who would not take time off work to take their child to hospital. I suspect that few, if any, homemakers would cancel their health insurance, disability insurance or dental plan to take out frivolous ads in newspapers. This government will underfund medicare by another $338 million this year, but it is determined to spend $3 billion on advertising, public relations and consulting.

This government is spending money on cosmetics to hide the scars of budget cuts. Canadians know that if it is a choice between your health and this government's image, the ad agencies always win out.

This is hardly, as this regime claims, putting Canada's finances in order. The excuse for cuts is always the deficit. But the deficit never goes down. It is $12 billion higher this year than the former Tory finance minister predicted in 1985.

If you are looking for answers, look no further then the unemployment rate. We have 1.5 million unemployed. This government's response to high unemployment is to put an even greater burden on employers and workers by increasing the UI premiums. They have made it even more difficult for small business to maintain their work forces.

We all remember the Prime Minister saying in the last election that the best social program is a job. Canadians now realize that their best social program is taking away the Prime Minister's job. For those who are looking to universities and colleges to improve their job opportunities, this government has erected new financial barriers. Tuition fees are being propelled upwards by Tory cuts to transfer payments. There is a new student loan surtax and the GST was slapped on to books, perhaps to discourage Canadian students from reading about our inefficient tax collection system that squanders billions of dollars year after year.

If the Tory student loan surtax remains and Canadian tuition fees continue to rise at their current rate, it will not be long before the poor and middle-class Canadians will face the same despair as the millions of Americans who cannot afford to become qualified and employable.

Indeed, this government's concept of order has bankrupted countless Canadians. These Canadians are financially bankrupt because this government is morally bankrupt. It would rather spend public money on its image than on the essential needs of ordinary people.

Nearly every institution that is distinctively Canadian has been under attack by this government, from the pillars of our social structure, medicare, education, unemployment insurance, to Via Rail, CBC, Air Canada, Petro Canada and Canada Post. Everything is up for sale.

Bill C-20 is not a defence of the Canada Health Act. With each passing moment, the federal government's commitment to health, education and jobs continues to dwindle under the guise of fiscal restraint and economic impetus. The Tories are meticulously plotting a course set forth by the free trade agreement. Bill C-20 is simply another example of how the Tories' sacred trust has been foreclosed.

It is rather like a cruel parent, starving the child and then discussing punishment when the child shows signs of malnutrition. Canadians now realize that if the institutions of medicare, post-secondary education and unemployment insurance are to be salvaged, this government must not survive.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am grateful this evening for the opportunity to say a few words about Bill C-20 which, as others before me have explained, is a bill to amend certain statutes in order to implement the February 26 budget.

The bill extends the limits of federal transfers to the provinces under the Established Programs Financing Act introduced in last year's budget for another three years to fiscal 1994-95. The bill amends the Public Utilities Income Tax Transfer Act in order to restrict payments to provinces for certain privately-owned public utilities. And the bill amends the Unemployment Insurance Act to provide for an increase in premium rates. It is easy to be confused by the technical language in the statutes cited, unless one strips away the legalese to get down to the bare bones of what this government is actually doing with this legislation.

• (2130)

What this government is doing with Bill C-21, and with its misguided February budget, is asking the poor, the sick, the unemployed, the university students, the weaker regions of this country to pay for its colossal fiscal mismanagement.

Bill C-20 is a betrayal. It is a betrayal to the commitment by this government to workers and employers not to increase UI premiums until 1992 and to assist with the cost of the UI program in difficult economic times. This commitment was made as recently as the budget of 1989 and the legislation Bill C-21, which modified the UI program.

Instead, with this bill, the Minister of Finance jacks up UI premiums a full 24 per cent, in the middle of its own made-in-Canada recession. This premium increase is a direct tax on jobs and will increase the already too high unemployment rate.

Bill C-20, is a betrayal of this government's commitment to higher education, a commitment that was made as recently as the last throne speech, a commitment it says is vital to making Canada internationally competitive in a global economy.

This bill is a betrayal to universal medicare and national health standards. It is a betrayal to the form of co-operative federalism that has made our national health care system work.

What the government is doing with Bill C-20 is withdrawing large sums of federal support to provincial governments for post-secondary education and health. The minister of health earlier today claimed that the government was only slowing down the increase in these payments over the next three years.

Schedule VI of the recent Nova Scotia budget tells a different story. Estimated federal transfers under the Established Programs Financing component of the Nova Scotia budget are expected to fall from $351.9 million in 1989-90 to $331.3 million in 1991-92, a decline of nearly $21 million.

From fiscal 1982 to fiscal 1994-95, the cumulative impact of these transfers is expected to reach $1.5 billion. The provincial budget states, and I quote:

> Declining financial support from the federal government for programs and services in Nova Scotia has placed increasing pressure on provincial own-source revenues to make up the shortfall.

As a consequence, this year's budget has continued the practice begun last year of cutting back on basic health services to Nova Scotians, limited growth in programs, including health education and social services to 2 per cent; lowering the age limit on dental insurance for children; reducing the permitted frequency of eye examination coverage; closing and consolidating schools; raising the cost of seniors' drugs from $3 to 20 per cent on each prescription.

We can and we do argue with the government of Nova Scotia about its spending priorities. We can disagree and we do with its targets for lowering its own deficit. We know that the provincial government in the last 10 years has mismanaged its own finances. But we cannot argue with the fact that the cutbacks in provincial transfers which this bill will authorize will translate into lower basic services for those who need them most.

Indeed, the National Council of Welfare in its report on funding for health and higher education, appropriately called *Danger Looming*, has suggested that the federal government's plan to extend the freeze on Established Programs Financing could mean the end of medicare as a national program within five or six years. As the govern-

ment withdraws its financial commitment to national health care standards under the National Health Act, it reduces its coverage, it reduces its leverage on provinces to encourage compliance with the basic medical principles of accessibility, comprehensiveness and portability. It undermines the very foundation of a program which has been a source of pride for all Canadians: our universal health care system.

The government says not to fear. Although it is taking away the carrot of federal transfers to provincial governments to encourage their compliance with the National Health Act, with Bill C-20 it is giving itself a big stick. This bill will allow the government to punish a province which attempts to resolve its fiscal difficulties by eroding its own health care services, difficulties which in the poor provinces such as Nova Scotia are being caused by the cutbacks in the federal transfers by this government. What this bill will do is to punish that province by withdrawing federal payments under any act of Parliament or agreement with that province undertaken before or after this legislation. That is what section 23.(2) of Bill C-20 authorizes.

This astonishing provision will mean that the government will be able to attack transfer programs to provincial governments under the equalization payments formula, under territorial financing, under grants in lieu of taxes paid to provincial and municipal governments by the federal government instead of paying taxes on federal or diplomatic property. It will be able to cut into statutory subsidies, into federal-provincial agreements, into programs not related to national health care in order to impose its standards on provincial governments for programs which it is unwilling to finance itself.

At a time when we are facing increasing tensions between the federal and provincial governments, a provision such as this is a red flag, it is an act of federal-provincial war by the federal government on provinces. It is absolutely incompatible with any attempt by a provincial government to try to provide a comprehensive or co-operative federalism in an age in which we need co-operation between federal and provincial governments on basic services.

What it will also mean is that the poor will pay twice. They will pay through the reduction in the federal transfers to provincial governments designed to pay for the services that they consume and they will pay through the discipline which the federal government will impose on those provincial governments which cannot pay for these services out of their own resources.

This is a terrible bill. It is a bill which all members of this House should denounce, including those on the government side, and which should begin a correction in a wrong-headed fiscal stance by this government and a restoration of sanity and co-operation in the management of our nation's finances.

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, it is a pleasure to speak today on Bill C-20, although there is not much pleasure in the bill itself. As I stop and think about it, it is a bill that is going to very much restrict funding and post-secondary education by the federal government, it will have drastic effects on health care, again by contributions of the federal government, and it certainly is bringing a burden on the unemployed and increased premiums to employers here in Canada.

I have to stop and think, how did we really get where we are at today?

• (2140)

The Conservative government was elected in 1984 with all kinds of promises. We heard promises to reduce the deficit and promises to bring our financial picture in line. Seven budgets later, we are in a position where, basically, we have increased taxes 81 per cent plus the GST. We have increased expenditures almost 50 per cent. We have a deficit that is well over 100 per cent greater today than seven budgets before. We have some 30-odd tax increases plus the GST.

I heard members on the other side of the House say: "It was because of the Liberal government". There is a time when some people must accept responsibility. Eight years of Tory reign and no responsibility is pretty sad in this country. But we have arrived because of a supposed group that has abilities in business. They have really come down to the point of, financially, putting this country in very difficult straits.

When the government talks about 40 cents out of every dollar being used to pay the debt, it is the debt that it built. It is the debt that it has incurred over the seven budgets. Mr. Wilson is so far away from his projected targets he gave in 1984, it is absolutely ridiculous in this country.

However, it is interesting to look at Bill C–20 today under that light because it is the first time, the second time, the third or maybe the fifth, well, numerous times this government has not been able to deal with reality. It has, this time, totally abdicated responsibility in health care, responsibility in post–secondary education and responsibility in unemployment. It is now turning it over to other people to manage. It increased taxes by 80 per cent and it is now turning over everything to the provinces, to businesses and to individuals to pay those debts.

What does Bill C–20 mean to the people from my riding in Essex—Kent? Well, certainly, it means on the surface that many students who really desire to go on to higher levels of education will not be able to do so. I think of my children, I think of the children of every member in this House, I think of the children of every person in Canada, their opportunities at post–secondary education are restricted drastically by this bill.

What it means to universities is that, unless the provinces pick up extra payments, there is absolutely no way they will be able to continue the service that they are presently giving.

What does it mean to health care? It means that many lower income families, many seniors, many others across this country are going to have to stop and think: "can I afford the medical costs that I may have to incur". It is going to separate a society of those with funds to be able to pay the health care system and not worry about the extra cost to the doctor, and the weaker part of our society.

This government supposedly presents itself as a caring group who is running a very caring society. Well this is just exactly opposite to what that caring society means.

Post–secondary education, health care and unemployment have traditionally in this country been strong, Liberal policies and the Tory government have torn them down.

As I stop and think, my colleagues from the New Democratic Party have criticized the Liberal Party, however, they never once said or brought the real point forward, that these are Liberal policies, policies which Liberal government after Liberal government after Liberal government have encouraged in this country so that we can be a successful society.

The problem that I see right now is that we are on a course in which there really is no solution if we continue downstream.

The Prime Minister made it very clear that we must be highly educated. We must use science, research and development in order to gain the skills required to compete in the 1990s and beyond. How on earth does this Bill C–20 support that concept? It is just the exact opposite. It means the young people in my area, the young people across Canada, will not have those benefits.

When we stop and think about it, the government has put all of this under the guise of deficit reduction. As my colleague from Mississauga pointed out a little earlier, it is very important to understand that deficit reduction occurs when businesses are healthy, when the economy is running very well, when we have employment across the country.

What has the government done in order to resolve those problems? The GST, losing jobs in Canada. Free trade, losing jobs in Canada.

What have they done to make a healthier society? Increased the value of the dollar, increased interest rates to put the small businessman, who is the chief employer in this country, right to the wall. I have seen policy after policy after policy in the last seven years do nothing but tear the country down and tear the country apart.

Certainly, this measure, this bill C–20 goes further. It stops universality in programs. It tears our educational system right to the roots and it leaves us in a situation where we ask: "What next?"

I have to say that, as I have walked through my riding and walked through areas of Canada, solutions are coming from people. Let's have a new election.

It is very clear to me, the policies that are coming down right now are certainly unpopular, are certainly not ones that are acceptable to the Canadian public. I would ask this government to change the direction, look at the prosperity of the country, look at how we can compete, how we can survive and not divide Canada further.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to tell you that there is no doubt in my mind that when this bill comes up for my vote it is not going to get it, in case there is any doubt in anybody's mind.

I will tell you why. I have had very little difficulty in making up my mind on this. I want to explain to people just what is this disgusting, despicable Bill C-20 that everybody is talking about tonight? What does it do? How can one bill do so much damage to upset so many people? How can it?

It is very inoffensive. To describe it, it says: "Bill C-20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991". Aha, the budget of February 26, 1991.

It says it is going to amend certain statutes. There are two statutes which bother me, and I want to talk to them this evening.

The first one is the statute entitled the Federal-Provincial Fiscal Arrangements Act and Federal Post-Secondary Education and Health Contributions Act and the second one is the Unemployment Insurance Act.

I want to take a mythical couple in my riding. I can either put them at one end of the riding in Old Perlican, Grates Cove or Bay de Verde, beautiful little fishing villages in one end of my riding, or I can put them in the other end of my riding, the north end of my riding, up in Wesleyville, Valleyfield, Brookfield, Lumsden, Newtown, Templeman. I can put them in any of these places.

• (2150)

Let us take a couple and apply Bill C-20 to them and see how it is going to affect them. I want to say at the very beginning these are the people who in 1988, when I was going around campaigning with my opponents and other members of other parties, were listening to what we had to say. They were hearing the then sitting member from the party across the floor, the government party, saying: "Don't worry, be happy. Do not worry about all of this free trade business, this fear-mongering that Mifflin and his crowd are doing because nothing is going to happen to unemployment insurance. Mr. Crosbie and the Prime Minister have given their word that nothing is going to happen. It is in the newspapers. Do not worry about that. Do not listen to those scare-mongers. When they say if you vote for this government and this free trade business, you are going to find yourself in a position where your credit card will be checked before your pulse is checked".

I never said that myself but that term was being used. I thought it was rather scary. Some people were saying that it would never happen, that it was scare-mongering and that no government would ever do that to its people. They said: "We have a system that if it was not there we would try to invent it. So because we have it we would not dare, even contemplate, getting rid of it".

The cost of education came up. There was no direct relationship between what was happening and the present cost of education but I think people, even then in 1988, knew that the cost of education would certainly not decrease and in all likelihood, as everything else had in the past four years, it would probably go up.

I want to mention the couples again in either end of my riding, put them in their mid-40s, give them three or four children, they are a working couple. Here is how I think it will affect them. I have to go back now and describe what this means in terms of money to the province I represent, the province of Newfoundland.

We do not have a very large budget in Newfoundland. The point is that half of that budget comes from the federal transfer payments in one way or another. We are very grateful to the government for that, I am not suggesting that we are ungrateful people. However, when practically half your budget comes from a certain source and that source has been cut dramatically then you are in trouble, particularly as it affects the three areas of unemployment insurance, post-secondary education—university education in other words—and health.

What can be more important to people of all ages?

In 1990 there was an announcement in the budget of that particular year that there would be a two-year freeze in federal transfer payments and that this freeze would cost Newfoundland $19 million in 1990 and $34 million in 1991-1992. That announcement was just last year. Nothing else had happened. That is what it would cost the province of Newfoundland.

In the last federal budget—and this is what we are talking about now, the effect that Bill C-20 has—the freeze was extended for another three years. If you take this freeze plus the freeze before, plus all the other freezes of the federal transfer payments and all the other various transfers to the province of Newfoundland, in the past six years since this government has been in power it will have cost Newfoundland a half a billion dollars by the end of 1992. In 1991-1992, this fiscal year alone, it will cost Newfoundland about $150 million. That is shameful. This is a very serious matter.

I have talked in general terms about the cost of education. What is our future in this country if we cannot afford to educate our children? What is the future? We know now we are behind the eight ball. We are behind the curve when it comes to the Europeans and the Japanese. We do not have our people educated properly. We are not going to improve the situation by increasing the cost of tuition, which is one of the results of Bill C-20, which we are going to effect this evening.

Let me talk about health right now.

Mr. Weiner: How is your health?

Mr. Mifflin: My health is fine, how is yours? I expect it won't be as good after this vote is over, I can assure you. Here is what is happening to health. Whatever we have now, 15 years from now, if you look at this, we are not going to have anything left.

Mr. Speaker, I am going to take you to this couple again. There is in one end of my riding a hospital called the Wilkinson Hospital. It is a very adequate hospital and the couple visit, their children visit when they are not in university and paying the higher tuitions, and usually they have mothers and fathers and they visit as well.

Mr. Speaker, you are cutting me off a little early, I think. As a result of these cuts that hospital's services have been reduced, and the same for the hospital at the other end of the riding, the Brookfield Hospital near Wesleyville. Now, instead of going to those local hospitals, they have to get in their car and drive for one to two hours in all kinds of weather. It is extra inconvenience, extra gas, extra everything.

Those are the two points. The third point is that the individual was told that he would not have to pay any more in unemployment insurance. In those days he was paying $1.95 for each hundred dollars earned. He is now paying $2.80. That is an increase of 50 per cent, that is 50 per cent more. That does not sound like very much when you talk about 85 cents or 95 cents, but if you add that up plus what the employer is going to pay, which has gone from $2.73 to $3.92 per hundred dollars, it adds up to $2 billion—$2 billion.

Where is the fairness in that? In 1985 this same government said: "We don't want to increase by 11 per cent because it might hurt the economy, it may hurt small business", at a time when the economy was booming. Now when we are in the middle of a recession, the economy is far from booming and this government doesn't mind increasing 24 per cent from last year and 50 per cent from the year before".

Where is the fairness? Where is the consistency? Where is the heart? Where is the heart?

I would like to finish on a positive note, if I can. If there is anything that I will have done with great gusto it is, when the time comes to vote on this despicable bill—and I can assure you that I will be joined with great glee and enthusiasm by my colleagues—to say no, no, no to this bill.

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

Some hon. members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion standing in the name of Mr. Sobeski. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the bells having rung:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 45(5)(a) I have been requested by the chief government Whip to defer the division until a later time. Accordingly, pursuant to Standing Order 45(5)(a) the division on the question now before the House stands deferred until tomorrow at three o'clock p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

Mr. Alfonso Gagliano (Saint-Léonard): To correct the record you mentioned the government Whip but he is not here. It was the opposition Whip who asked that the vote be deferred.

The Acting Speaker (Mr. Paproski): You are much better looking than the government Whip anyway.

It being ten o'clock, in accordance with Standing Order 38 a motion to adjourn the House is deemed to have been made.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ABORIGINAL AFFAIRS

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I would like to thank you for the opportunity to raise a very important matter on behalf of not only people in Winnipeg and Manitoba, but across this country.

Last week I had the opportunity to raise in this House the question of federal funding for the Mother Earth's People's International Pow-Wow. It may appear at first glance as being just another opposition politician looking for money for another group in his constituency. However, we are going through a transformation right now in the aboriginal community which is very, very important for all Canadians to understand, particularly all members of this House. They have come in times of desperate need and, in many ways because of poverty, unemployment, housing and welfare issues, are still in times of tremendous need.

There is a transformation among the leadership which is permeating the youth of this country, making them a much more positive force in our society than any of us would have seen five years ago.

Last week we saw the election of a new Chief of the Grand Council for Canada for the Assembly of First Nations, a chief who will represent the aboriginal peoples of this country in a fine fashion. He will negotiate in good honour on behalf of his people.

Immediately after that, the aboriginal cultural society held the pow-wow which I was very proud to attend. It was held at the Convention Centre in Winnipeg over the weekend and it attracted thousands of participants from across North America and some other continents. It was also an event attended by thousands of people from around Manitoba.

In seeking funding, and the Assembly of First Nations was very modest in its proposals, not only does the federal government not fund it, which is the choice of any government, but the federal government refused to meet it. The only response it received from the Department of the Secretary of State was a curt letter which said in part: "A project such as this would normally be eligible for funding under the social and cultural development component of the Native Citizen's Program. Unfortunately, as you probably know, this particular component was adversely affected by the budget and it was terminated as of April 1, 1990."

In other words, the sad fact is that the federal government no longer has space in its programming for the needs of aboriginal peoples in our cities.

Public servants, if they are so inclined cannot even find a method of supporting groups such as this. So here we have the sad spectre of the largest gathering in the city for a pow-wow, perhaps one of the largest pow-wows in the history of this country. We have a new minister responsible for constitutional negotiations in this country speaking in this House sometimes in eloquent terms about the need for greater aboriginal participation, and at the very moment when those two interests could have been brought together, the interest in favour of aboriginal peoples and the Constitution, and a chance to have participants get together, have a great time and share a culture, many of whom were sharing it for the first time, the federal government turned away from them and refused to even meet.

I rise here today to call upon the House to review the position of the federal government. I ask that the cabinet consider its position of not funding programs such as the Mother Earth's People's International Pow-wow and meet with it as soon as possible to arrange financing.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Mr. Speaker, I welcome this opportunity to emphasize the successful initiative by the Aboriginal Cultural Society, which organized the Mother Earth's People's International Pow-wow, held in Winnipeg on June 14 and 16.

[*English*]

Nearly 500 chiefs from across Canada were reported to have participated in the pow-wow which featured a children's program, an arts and cultural show and elders' forum.

The organizers of this forum have approached the federal government for financial assistance and I am pleased to be able to report today that the hon. Robert de Cotret has approved assistance in the amount of $10,000.

[*Translation*]

The Aboriginal Cultural Society is to be commended for its efforts to reduce social tensions between natives and non-natives in Canada, especially at this critical moment in our history.

The government acknowledges that the issue of native constitutional reform has not been settled. It acknowledges, as the Prime Minister said, that much remains to be done.

Today, Mr. Speaker, we are faced with a number of serious challenges, as a nation. We are being called upon to help build a country that more accurately reflects what we are as a nation and what we hope to be.

Any reflection on Canada's future must include an analysis of the place of native people in our country and the fundamental role they have to play. The federal government intends to make them active participants in these discussions. Mr. Clark has discussed with native leaders how this could be achieved.

[*English*]

Consultation with, and participation of, aboriginal peoples in any process which will lead to a major change in their place in Canada is fundamental. This government would not seek to have the Constitution amended to define the role, place and rights of aboriginal peoples without having ensured that their views were heard and fully considered.

This government is committed to working to ensure that the Canada being built for the 21st century will include a new relationship with aboriginal people.

PASSES FOR CONVICTED PERSONS

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, further to a question asked on May 29, the National Parole Board and the Correctional Services of Canada have embarked on what many people believe is a very dangerous experiment by allowing a convicted serial rapist out into society on an escorted temporary absence.

Larry Takahashi is no ordinary criminal. He was once considered a model citizen until police came to question him in 1983. He had to be subdued with tear gas before the officers could arrest him.

Edmonton police estimated that during his trial in 1984 he was responsible for well over 100 sexual assaults. He was charged with 138 counts of sexual assault but after evidence was called on only 14 cases, the other victims were sent home and their cases were, in effect, dropped. He was sentenced to three consecutive life sentences on the 14 charges, plus an additional 73 years in prison.

Correctional Services of Canada and the National Parole Board are not as convinced of his threat to the public as are his victims, the judges and a battery of psychiatrists which has him pronounced a danger.

He has been granted escorted temporary absences from Mountain Prison in Aggasiz, B.C., on a monthly basis since July 1989, I understand. On several occasions he and a convicted murderer played a nine-hole round of golf at a nearby country club with only one unarmed escort in tow, more of a caddy than an escort.

Because the Solicitor General appears to be more committed to rehabilitating criminals, and we all believe in that, he seemed to dissociate himself from his responsibilities as Canada's top law enforcement officer.

It was not until May 31 that he agreed to an immediate review of Mr. Takahashi's pass privileges. The National Parole Board issues absence permits for those serving life or indeterminate sentences, the violent career criminals. In 1988–89, the Solicitor General's department's annual report revealed the National Parole Board received 311 applications for temporary absences from these types of convicts. A total of 277, or 89.1 per cent of the applications were approved.

Absence permits are officially granted on three grounds: compassionate leave, the funeral of a family member; family contact for special events and occasional exposure to the community; and administrative leave, court appearances. I do not believe a round of golf would meet any of those criteria. Does anyone?

Any review of Takahashi's absence privileges should include a psychiatric assessment by the same team of doctors that examined him prior to sentencing in 1984. In the team was Dr. Herbert Pascoe, a renowned psychiatrist who has helped set standards in the assessment of criminal minds. He described Mr. Takahashi as a unique sex offender: "Cunning, calculating, highly intelligent who terrorized women for sport where most rapists are motivated by vengeance or primordial satisfaction."

If Dr. Pascoe concludes that Takahashi's criminal disorder has subsided to the point where he does not pose an unreasonable threat to women, people might be convinced that he should receive strictly controlled pass privileges. Until then, public safety is unreasonably at risk with Takahashi on the loose for whatever reason.

There are instances when a violent offender has convinced the entire judicial establishment dealing with his case that he is a dangerous person with little hope rehabilitation. In dealing with these people, the Solicitor General is primarily responsible for protecting law-abiding citizens from convicted offenders. In the case of Larry Takahashi, it would seem to me, Mr. Speaker, and I think to your constituents and to all of our constituents, the Solicitor General has ignored that responsibility.

• (2210)

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in reply to the hon. member opposite for Edmonton Southeast, I also share his concern about the inmate that we have been talking about because he is housed in my riding at present and has resided there for I am not just sure how many years and the escorted leave that he was on was in my riding as well.

I might add that the protection of Canadian society is the highest priority of the Solicitor General, the Commissioner and staff of Corrections Canada. However, in Canada, as in most western countries, judges' sentences lead to an eventual return to society for the majority of inmates.

To facilitate this inevitable return, the Correctional Service of Canada and the National Parole Board have developed a gradual, controlled and supervised release program for releasing inmates into the community. Risk is the prime criteria in any decision they make concerning the release of offenders. After discussions with the Solicitor General, the Commissioner of Corrections Canada directed that an independent review of Mr. Takahashi's case be conducted by an independent forensic psychiatrist. The result of this review will be provided to the National Parole Board for consideration in any subsequent Parole Board reviews.

At the present time, I am advised that Mr. Takahashi is not receiving further escorted temporary absences.

TAXATION

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, pursuant to a question I raised with the Minister of National Revenue on June 4, 1991, referring to the minister's admission that Canadians were grossly over-taxed, I just wanted to add a few more items perhaps for comment from the parliamentary secretary.

From 1984 to 1989, to bear witness and evidence to the fact that Canadians are being over-taxed, the government collected 66 per cent more on income taxes for a grand total of $25.457 billion while personal incomes during the first four years increased by only 36.5 per cent. In fact the amount of disposable income increased by only an average of 7.2 per cent per annum over those years.

At the same time, from 1984 to 1989, the government collected 34 per cent less in corporate taxes in 1989 than it did in 1984, while the corporate profits before taxes increased during the first four years to 41.2 per cent and, after taxes, by 54.4 per cent.

What those figures tell us is that from the point of view of competitiveness, corporate Canada should at least have been able to absorb the government's strategy or stated economic policies designed for greater competitiveness. Instead, what happened is that we saw the taxation increased and increased and, in fact, under this 1991 budget the government has indicated that it will raise an additional $1.4 billion in 1991–92 in tobacco taxes alone, a further $1.14 billion in 1992–93, a further $1.03 billion in 1993–94 and a further $980 million in 1994–95.

For all that kind of collection of taxes on that one item, tobacco, we do not have a government that has given us an indication of any kinds of programs that are going to deal with the health problems associated with greater tobacco consumption.

Yet, we have a government that says that what we need to do is to become more competitive. That same government, from 1984 to 1989, increased income taxes as a share of federal revenue by 9.03 per cent and it decreased corporate taxation by 34 per cent.

The minister responsible for that, former finance minister Michael Wilson, acknowledged that the tax reforms initiated in 1987 were "the wrong policy for the wrong time because what they did they did stimulate the economy" when the economy was already strong, thereby encouraging higher interest rates. The net impact of those interest rates, according to the member for Mississauga South, then chairman of the finance committee, was: "climbing interest rates represent a cash transfer by the government from the relatively poor to the relatively well off."

Yet, the government insists on shifting the burden of taxation, the burden of the deficit, the burden of the public debt and the burden of government expenditures on to the backs of ordinary Canadians' personal income. It should be looking for other solutions.

The GST was not a solution. It is even a greater burden. The minister admitted as much. His department indicated that it grossed more than $400 million more than anticipated.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it is my pleasure to respond to the hon. member opposite for Eglinton–Lawrence.

According to figures available from the OECD, Canada's total tax revenues of all levels of government represent about a third of the country's Gross Domestic Product, less than that in France, Germany, the United Kingdom and Italy.

Taxes on corporations at 2.6 per cent of the GDP, and consumption and direct taxes at 13 per cent of GDP are roughly equivalent to those of the other G–7 countries.

The study by Global Economics gives the government high marks on its corporate tax changes. Specifically, it notes that: "On balance, the Tory corporate changes have tended to improve the efficiency of the tax system." As pointed out in the study, this has led to a "pattern of investment and economic activity that is more productive and conducive to economic growth and employment creation".

Furthermore, as the study notes, corporate income tax revenues have grown more slowly than those from other taxes, due to the decline in corporate profits which are 8.4 per cent lower in 1991–92 than they were in 1984–85. Despite this decline, corporate tax revenues have increased over this period by 17.3 per cent.

This increased revenue is a direct consequence of discretionary actions taken by this government to ensure that corporations contribute to our deficit-reduction efforts. These include the base broadening measures of tax reform and the imposition of the large corporation tax.

The Global Economics report also gave the government high marks for its sales tax reform initiatives. To quote: "Over-all, however, on efficiency grounds, the government deserves high marks for finally getting rid of the outmoded manufacturing sales tax and introducing a modern consumption tax."

An integral part of the introduction of the goods and services tax was the enrichment of the sales tax credit to ensure that lower-income Canadians were better off as a result of the reform.

While this has meant an increase in revenues, this has been done in a fair and equitable way. Measures such as the surtax on high-income earners and the alternative minimum tax ensure that high-income Canadians pay their fair share.

PORT OF HALIFAX

Ms. Mary Clancy (Halifax): Mr. Speaker, once more I rise to speak on the incredibly important and incredibly crucial matter of assistance from the federal government to the port of Halifax.

I am delighted to see the hon. member for Calgary Southeast who I presume is going to respond to this. Perhaps, I may be overly anticipating the hon. member in his reply, but I would like to put paid to the rumour here and now that the problems in the port of Halifax with most particular reference to the problems of container traffic and the weighing anchor of container companies away from Halifax to Montreal and other points is due to increased tonnage in the area.

This is something that I suspect was invented first by the Minister of Fisheries, has been picked up by the Minister of Transport, by the Associate Minister of Transport and most lately, by the Deputy Prime Minister in response to a question last week.

The president of the last container company to leave Halifax said explicitly and directly when asked: "Why are you going?", "The reasons are twofold: The first and foremost reason was the problem of freight rates between Halifax and Montreal. They were just not competitive." Consequently, we were losing business either to Montreal, within Canada or to the eastern ports of the United States, most of which interestingly enough are serviced by a railroad owned by Canadian Pacific which is, in itself, heavily subsidized and has been over the years by the federal government. The second problem cited by the president of that container company was the unfair tax structure yet again.

• (2220)

We do not ask for a great deal. We do ask for some action. We have asked for years that something be done about the freight rates that are charged between Halifax and central Canada. We have asked again and again and again. What response have we received? One of the responses that we received is Bill C-11, and in its former incarnation Bill C-26, the cancellation of the At and East grain subsidy. This is not the response that Haligonians and Nova Scotians are looking for. We are looking for some true action on the part of this government.

Four-and-a-half weeks ago in this House, the Minister of Transport told me, and I quote, as I quoted before, that he would: "do everything in his power to help the port of Halifax". On Friday last, the Deputy Prime Minister of Canada said: "We take this seriously. We take it as seriously as the member from Halifax does, and we are going to do something".

Several weeks ago I questioned the Associate Minister of Transport, and she, too, said something will be done. Sadly, what those comments remind me of, and what they remind Haligonians who have a sense of history of, were the words of the then King of England, Edward VIII, when he visited the coal fields in Wales and saw the unemployment. He said: "Something must be done".

What he did two weeks later was abdicate his responsibility. This government is abdicating its responsibility in and to the people of Halifax. Something has to be done, not mere words, not fine phrases. Assistance is needed and assistance is needed now for the Port of Halifax and for the people of Halifax.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank again the member from Halifax, who has been most diligent in the pressing of this issue before the House.

As we have said before, the present difficulty facing the port of Halifax is the product of a host of economic factors, most of which are international in scope and largely beyond the power of any Canadian entity to solve. The focus for the majority of the problems lies within the international container shipping sphere, which has excess capacity everywhere. Reductions in importations have precipitated an excess of transportation supply over demand of over 30 per cent in some trades, the most prominent being the European-Canadian sector.

International shipping lines have had to cut operational costs and to make other commercial adjustments in an extremely tight market. It must be remembered, howev-

er, that such ebbs and flows are part of the normal cycle of international business and reflect the market economy of world shipping. What is more difficult to accept is the degree to which these business cycles impact upon the interface operations, in this case, Canadian ports and railways.

It has been estimated that the portending departure of *Hapag Lloyd* from the port of Halifax will cause a short-term loss to the port of between 40,000 and 50,000 20-foot equivalent units, which is a standard container measurement. While this level, which represents some 12 per cent of the port's container tonnage, must be seen as significant, it should be recalled that, between the years of 1980 and 1982, an even larger amount was lost to the port, only to be quickly regained and increased during the recovery period which followed.

This government knows that all those with interest in the port and the Canadian routes must work together to produce a long-term, system-wide approach to intermodal traffic so as to keep our ports competitive. What is needed is the help of all parties to produce a comprehensive and efficient package of intermodal services.

In the longer term, in order to ensure the continued competitiveness of our Canadian ports and routes in a dynamic and difficult market, all parties may need to develop strategic alliances in order to create a competitive position for Canadian ports, and for Halifax in particular. The department is currently listening to what those interested parties have to say and I can assure you that full consideration will be given toward identifying and implementing an appropriate long-term response.

THE ENVIRONMENT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, on June 3, I rose in the House and asked a question of the Minister of Fisheries and Oceans regarding the need for a full environmental assessment of the Alcan project, as ordered on May 16 by the Federal Court of Canada. On that day, the Minister of Fisheries and Oceans suggested that the matter was under review and that an announcement would be made within a reasonable time as to what kind of action the government was going to propose.

The details and concerns that people have had over this project have been fairly well documented, in particular by reports now coming out from retired Department of Fisheries and Oceans scientists whose reports and information that had been released show there is considerable concern over the fish habitat of the Nechako and eventually the Fraser River and many other concerns related thereto, the main problem being the reduced flows due to the Alcan project. I would like to quote from the decision on May 16 in the Federal Court because I think it says most clearly what this government should do and what we hope the parliamentary secretary will be able to announce tonight. I am quoting from the decision:

> I conclude that the Kemano II Completion Project requires an assessment by virtue of the Environmental Assessment Review Process and that the Ministers involved and specifically the Minister of the Environment were under an obligation to arrange for it and not frustrate this by the Settlement Agreement signed in 1987 and finally by the Order of the Minister, confirmed by Order in Council—

That was passed late last year. Most important:

> It is not sufficient to be satisfied with the review, however extensive, performed by the Proponent of a proposal, even in co-operation with the Ministers involved, without a public assessment by an independent panel at which all interested parties may be heard.

It is very clear in the decision what the judge in this case was suggesting. He has thrown out the original Nechako settlement agreement and in particular makes reference to the Order in Council exempting this project from an environmental assessment.

I hope the parliamentary secretary will announce two things tonight: notwithstanding the company's decision on Friday to appeal this decision, an announcement as to the government's intention in that regard and, regarding that, a decision by this government to announce a full environmental assessment of the Alcan project.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, in reply to the hon. member opposite from Prince George—Bulkley Valley and in reply also to a similar question that was asked on June 3, 1991, I am pleased to provide additional historical information on this matter.

By the late 1970s, the Department of Fisheries and Oceans had become concerned that reduced flows being released by Alcan from the first Kemano Project built in the 1950s could endanger the chinook and sockeye salmon populations in the Nechako and Stuart Rivers in British Columbia. The department therefore obtained an injunction requiring Alcan to release more water than

it was obligated to do under the 1950 British Columbia Water licence.

When Alcan proposed the second project, the Kemano Completion Project in the early 1980s, and also sought relief in court from the injunction, the Minister of Fisheries and Oceans entered into a settlement agreement with British Columbia and Alcan in order to secure longer term protection for the fish stocks. The agreement formalized the release of flows to protect fisheries and required Alcan to provide measures to mitigate the potential impacts on fish and fish habitat.

Before the minister entered into the agreement the department conducted considerable analysis of the potential impacts of the proposed Kemano completion project. The agreement was reached after an independent review panel chaired by the president of the University of British Columbia advised that fisheries experts agreed that impacts on the fisheries could be mitigated. The department applied the principles of its policy for the management of fish habitat providing for no net loss of fish habitat and responsible resource management. In particular the agreement called for a mechanism to ensure that impacts on fish and fish habitat could be mitigated on an ongoing basis. Therefore, if an issue arises that was not initially thought to be a problem, there is a process in place designed specifically to deal with it.

We can see that the settlement agreement was entered into with consideration for potential impact. They were in fact considered extensively. In the understanding of the day when the settlement agreement was signed, the Minister of Fisheries and Oceans took what he believed to be the necessary and appropriate steps to ensure that the protection necessary for fish and fish habitat was provided.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Therefore, this House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 24(1).

The House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Tuesday, June 18, 1991

The House met at 10 a.m..

Prayers

ROUTINE PROCEEDINGS

[*English*]

BILL C-6

REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Madam Speaker, I have the honour to present, in both official languages, the report of the legislative committee on Bill C-6, an act respecting the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons, with amendments.

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

* * *

PUBLIC SERVICE REFORM ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-26, an act to amend the Public Service Employment Act, the Public Service Staff Relations Act and other acts in relation to the Public Service of Canada.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

NATIONAL HERITAGE DAY

MEASURE TO ENACT

Mr. Brian L. Gardiner (Prince George—Bulkley Valley) moved for leave to introduce Bill C-236, an act respecting National Heritage Day.

He said: Madam Speaker, the purpose of this bill is to designate the third Monday in February as National Heritage Day, an important day that would give Canadians a chance to celebrate our heritage and our customs, traditions, architecture and history.

The bill amends a number of formal acts in terms of providing for a statutory holiday and I think, in light of Canada's celebration of its 125th birthday in 1992, it would be a good way to start the year.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INTEREST ACT

MEASURE TO AMEND

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-237, an act to amend the Interest Act (calculation of credit card interest).

He said: Madam Speaker, the purpose of this bill is to amend the Interest Act to regularize the charging of interest by credit card companies.

At the present time, if the entire balance is not paid to credit card companies at the time that the first invoice is received, interest is charged on every single cent of the balance, right back to the date of purchase of goods in the first place. This creates some unconscionable charges for interest; indeed, I have seen charges well in excess of 1,000 per cent per annum, apparently quite legitimate according to our banking system. I would suggest that this bill be passed.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL RECORDS ACT

MEASURE TO AMEND

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-238, an act to amend the Criminal Records Act and the Criminal Code in consequence thereof.

• (1010)

He said: Madam Speaker, this bill was before this House on two occasions in the last session. The bill attempts to change the Criminal Records Act so that when persons have an absolute discharge or a conditional discharge and conditions have been satisfied they do not carry a criminal record.

It was the original intention of the criminal records provisions in the Criminal Code that criminal records not be attached to people given an absolute discharge or conditional discharge by the court. Nonetheless, the system operates in such a way that even a member of this House convicted some short while ago of a very minor offence and given an absolute discharge bears a criminal record and will for the rest of his life unless he makes a formal application to have that record dismissed.

An absolute ridiculous situation exists and ought to be corrected. I am surprised the government has not already introduced legislation to do so. In the absence of the government acting sensibly, I introduce this bill again.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. John Harvard (Winnipeg—St. James) moved for leave to introduce Bill C-239, an act to amend the Criminal Code (review of convictions).

He said: Madam Speaker, I am introducing today this bill to try to correct serious flaws in our judicial system. This bill, if passed by the House, would establish a real and fair judicial review of criminal convictions. This would be achieved by putting in place an independent body called a conviction review commission. This commission would have the mandate to review criminal matters or cases where serious doubts have been raised and would provide an objective, independent, and fair review of those cases.

Had this commission been in place, it is my strong belief that David Milgaard's case would have been heard again by the courts.

Motion agreed to, bill read the first time and ordered to be printed.

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Lyle Kristiansen (Kootenay West—Revelstoke) moved for leave to introduce Bill C-240, an act to amend the Canada Labour Code (unjust dismissal).

He said: Madam Speaker, I am pleased at this time to present to the House for first reading an act to amend the Canada Labour Code relating to unjust dismissal.

The bill would provide that no employer may suspend, discharge or impose any financial or other penalty on a person employed by him or take any other disciplinary action by reason of that person having refused to perform an act that he has reasonable cause to believe is prohibited by law.

This would form an essential component of any whistle-blowing legislation. It is not really directly related to the matter of health and safety but rather to those areas where no current protection exists, such as employee assistance in the enforcement of environmental protection laws, public safety in the shipping and storage of hazardous materials and transport of goods across international borders.

It would assist employees and supervisors alike to help ensure the law of the land is indeed upheld.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

[*Translation*]

CANADA POST CORPORATION ACT

MEASURE TO AMEND

Mr. Guy Arsenault (Restigouche—Chaleur) moved for leave to introduce Bill 241, an Act to amend the Canada Post Corporation Act.

He said: I am honoured to introduce this bill to amend the Canada Post Corporation Act (National flag of Canada). The bill provides for the displaying of the Canadian flag on any building in which there is a post office, as well as inside every post office.

[*English*]

The purpose of this bill is to ensure that the Canadian flag is displayed on buildings where a post office is located, as well as inside every post office.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

PETITIONS

CANADA POST

Mr. Stan Keyes (Hamilton West): Madam Speaker, I have the privilege and duty to present to this House a petition signed by literally hundreds upon hundreds of people who reside on and around Locke Street in my riding of Hamilton West. They object strongly to the removal of the Locke Street postal station.

We say that it is convenient as it is located in the centre of an active, successful community, central to the many businesses which use the service and highly accessible to public transportation.

What evidence do the petitioners have to support their claim? The post office has been located on Locke Street for 48 years.

CANADIAN BROADCASTING CORPORATION

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Madam Speaker, I rise under Standing Order 36 to present a petition on behalf of 120 of my constituents from the northern part of my riding, from the communities of Lumsden, Newtown, Wesleyville, Templeman, Pound Cove, Badger's Quay, Pool's Island and Brookfield.

These are areas in my riding that while not remote are far removed from urban centres. They rely a lot on television to assist in their cultural life.

They note that the Canadian Broadcasting Corporation has historically been a key element in the federal government's commitment to cultural integrity and national unity. They are very concerned that the program that epitomizes the cultural background of Newfoundland and the maritimes, *Land and Sea*, has been cut after 20 years of success in the region.

They humbly call and pray upon Parliament to ensure that CBC programming remains intact, and particularly that the program *Land and Sea* be restored.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, I have two petitions to present, pursuant to Standing Order 36, this morning.

The first one talks about the CBC and the cutbacks to the funding for CBC. The petitioners from various places in my riding, the Penticton and Summerland areas, are petitioning Parliament to urge the government to consider restoring proper funding to the CBC so that it can fulfil its mandate and its role as the heartbeat of Canada.

They have asked the government to re-examine its priorities in terms of decreasing funding for Canadian institutions and its insistence on privatization.

ROYAL CANADIAN MOUNTED POLICE

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, the second petition is with respect to the Royal Canadian Mounted Police.

While congratulating the new Solicitor General for extending funding, these petitioners from various places in British Columbia are somewhat critical of the cuts in RCMP funding throughout past years.

They are petitioning Parliament to urge the government to consider restoring proper funding to the Royal Canadian Mounted Police so that it can fulfil its mandate and role as the only visible police force for communities across British Columbia and remain as a viable symbol of Canadian unity.

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my privilege, indeed it is an honour, to present a petition on behalf of a number of constituents from British Columbia.

• (1020)

The petitioners are concerned that the government has cut back on RCMP funding, which has resulted in a number of subdivisions closing down and a curtailment of RCMP police protection for a number of communities.

They are asking the government to continue at least its traditional financial support. Otherwise, it will off-load an awful lot of costs to local taxpayers and erode a very viable symbol of Canadian unity.

PETRO-CANADA

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Madam Speaker, I have the privilege to present a petition pursuant to Standing Order 36, signed by some 46 of my constituents from the communities of Castlegar, Nelson, Revelstoke, Slocan, Salmo and South Slocan. They urge Parliament to reconsider its action regarding the privatization of Petro-Canada.

Among the reasons the petitioners suggest is that Petro-Canada has never really lived up to its full potential in terms of being a leader in environmental action in Canada.

The petitioners would ask that Petro-Canada take the lead as a green energy company helping them make environmentally responsible energy choices.

These petitioners feel strongly. Despite the fact that Parliament has already acted in one respect, they would urge us to take a second look—a famous phrase in British Columbia—and move again to have Petro-Canada fulfil the role that it could and should be playing in the development of our nation.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, Question No. 16 will be answered today.

[*Text*]

HEALTH AND WELFARE

Question No. 16—**Mr. Milliken:**

Since Chapter 51 of the Statutes of Canada (1988) was proclaimed on January 1, 1989, what has been the total value of money and property forfeited to the Department of Health and Welfare as a result of "designated drug offences" under the statute, and what portion of the said money and property, if any, was paid to any other government or governments, and which government or governments?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Chapter 51 of the Statutes of Canada (1988) provides for the forfeiture of property obtained or derived directly or indirectly as the result of the commission of specified offenses under the Narcotic Control Act and Food and Drugs Act. Forfeitures for the calendar years indicated are as follows:

1989 $320,000
1990 $1,060,000

Information is not yet available for 1991.

The amendments require the Department of National Health and Welfare to dispose of forfeited property. Monies obtained from dispositions are deposited in the Consolidated Revenue Fund. Consequently, monies may not be paid to other governments.

[*English*]

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

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

I hope that the hon. member for Kingston and the Islands appreciates that I stayed up late last night to answer this question for him.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL UNITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs) moved:

That a Special Joint Committee of the Senate and the House of Commons be appointed to inquire into and make recommendations to Parliament on the Government of Canada's proposals for a renewed Canada contained in the documents to be referred to it by the Government;

That fifteen Members of the House of Commons and ten Members of the Senate be the Members of the Special Joint Committee; such Members on the part of the House of Commons to be designated upon the report of the Standing Committee on House Management, which report shall be deemed concurred in upon presentation or; if the House is not sitting at the time of such Standing Committee on House Management Report such report shall be deemed concurred in upon its being filed with the Clerk of the House of Commons.

That the Committee have the power to appoint from among its Members such sub-committees as may be deemed advisable, and to delegate to such sub-committees all or any of its powers except the power to report directly to the House;

That the Committee have the power to sit during sittings and adjournments of the House of Commons;

That the committee or sub-committees have the power to travel and to hold public hearings within Canada;

That the Committee provide Canadians with an opportunity to participate fully in the development of the government of Canada's plan for a renewed Canada;

That the Committee have the power to hold joint sittings with the committees of legislatures or individual members of provincial and territorial legislatures;

That the Committee develop procedures to ensure aboriginal peoples participate fully in the development of the Government of Canada's plan for a renewed Canada and, in particular, on issues of special interest to them;

That the Committee have the power to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee be authorized to put in place mechanisms designed to encourage and facilitate the participation of individuals and groups of Canadians;

That the Committee be empowered to authorize television and radio broadcasting, as it deems appropriate, of any or all of its proceedings or of proceedings of its sub-committees, pursuant to the principles and practices governing the broadcasting of the proceedings of the House of Commons;

That the Committee be granted allocations for expert assistance;

That the Committee be empowered to retain the service of professional, clerical and stenographic staff as deemed advisable by the Joint Chairs;

That the Committee submit its report not later than February 28, 1992, provided that if the House of Commons is not sitting, the report will be deemed submitted on the day such report is deposited with the Clerk of the House of Commons and with the Clerk of the Senate;

That changes in membership of the Committee be effective immediately after a notification, signed by the Member acting as Chief Whip of any recognized party, has been filed with the Clerk of the Committee;

That the quorum of the Committee be thirteen Members whenever a vote, resolution or other decision is taken, so long as both Houses are represented, and the Joint Chairs are authorized to hold meetings, to receive evidence and to authorize the printing thereof, when nine Members are present so long as both Houses are represented; and

That a Message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, ten Senators to act on the proposed Special Joint Committee.

He said: Madam Speaker, for some time, almost a year ago this week, this House and this country have been dealing with the consequences of the failure a year ago to achieve agreement on the Meech Lake Accord. We have all known that there are very profound constitutional questions that have been raised. We know that this time it will be more difficult to deal with those issues than it would have been had we succeeded a year ago. We are not here to lament the past. We are here to try to construct a strong future together.

It is important, I think, that we understand some of the particular challenges that face us now. With the Meech Lake approach, it was possible to take issues one by one in the method that had been set out by the premiers of Canada when they met in Edmonton to agree on the approach that was later involved in that accord. That is now behind us. We no longer have the luxury as a country or as a Parliament of dealing with those issues one by one. What we have to do, and it is far more complex, is find ways in which we can deal with several difficult issues together.

A way of expressing this is to say that this is the Canada round of negotiations. That is meant to make it very clear that the concerns of aboriginal people will be prominent in these issues, that the concerns of institutional reform will be prominent in this process, that other issues which are of particular interest to groups in the country or regions of the country will be prominent in this process.

I think all of us in this House understand that while the other issues are of course of very real importance, a central issue that must be resolved here is the means by which this country, which was founded more than a century ago as an extraordinary partnership between two peoples who then went out to draw others in, can maintain the essence of that partnership so that Canadians whose first language is French and Canadians whose first language is English will choose to live together as partners in this common country.

What this particular motion is about is the terms of reference for a committee. There have been some discussions among parties, and I have been privileged to be a part of some of those discussions myself. There are some disagreements as to needs. I believe there are no disagreements as to the purposes or the ends that we are seeking to achieve here. We are looking for a way in which the Parliament of Canada can carry out its functions to create a climate and consider a series of recommendations that will allow the nation to make substantial progress to achieve profound changes in our constitutional arrangements.

• (1030)

Everyone knows that this country is at a crossroads. There are two paths before us. One is the path of partition. The other is the path of renewal. In the months ahead Canadians will decide which path they want to follow. The choice is straightforward. It is the choice of agreeing to live together or deciding to live apart.

[*Translation*]

It is a choice that Canadians will make themselves. This dusty document that we call a constitution will never be enough to keep us united. Our country, Canada, will remain united only through the will of its population and the strenght of a consensus. If this will and this consensus do not exist anymore, no constitution will have any significance, not simply because we will not be able to reach an agreement, but because a country is more than a mere legal document. Countries do not survive because they have their names on geographical maps. They survive because they have a place in the soul and the heart of their population.

That reality will never change. But there is another reality which also defines the task before us: It is the fact that, everywhere in the country, Canadians want to be directly invloved in the discussions that will determine our collective future. Canadians want to have a chance to express themselves.

They want to participate in the process which will determine whether Canada will continue to exist or not. That is a legitimate request, and we have the obligation to grant them this right.

We members of Parliament, also have another obligation: We must make of this assembly—of representatives elected by the Canadians—a part of the solution that we are seeking together. We are far from being perfect, as individuals as well as an institution. However, this assembly represents the whole country, and it is the only institution to do so. If someone can claim to speak on behalf of Canadians, it is us, the Parliamentarians. The time has come to speak for Canada and to decide together how to bring about the profound changes that our nation requires.

This is, Madam Speaker, the object of the motion before the House. It is aimed at bringing closer the parliamentarians of the people, and at bringing closer together the parliamentarians from Ottawa and those from the provinces and the territories. This motion is also aimed at enabling Canadians to discuss, to change and to develop together specific proposals for a renewed Canada.

In its Speech from the Throne, the government presented the outline of a four stage process for the renewal of the Canadian pact. It is, in my opinion, the most opened process ever devised to enable Canadians to decide the future of their country.

The first phase of this process is almost over. In the next few days, the Citizens' Forum on Canada's Future and the Special Joint Committee on the Process for Amending the Constitution will table their reports. These committees have done an excellent job.

The two reports will help the government develop a series of proposals for a renewed Canada. These proposals will be presented this fall. They will be specific in nature and they will also be made public. They will provide for changes in the division of powers, in our national institutions and in our way of dealing with native Canadians, among other things. The Canadians will be invited to review these measures and improve on them.

The mandate of the Special Joint Committee will be to move us from general ideas to specifics, from assertions to solutions, out of the past and on the way to a promising future.

Before setting up this committee, we consulted with the official opposition and the New Democratic Party. As we debate this motion, I want to put on record that this government will consider carefully any serious amendment to the comittee's mandate that could help Parliament carry out its duty.

I would like to outline the primary criteria which governed the establishment of this committee.

First, it must be a committee of parliamentarians, by this I mean a committee made up of people whose present duty is to help Canadians ultimately find a way to stay together.

It must also be, and this is the second criterion, a committee of the people. It will not be the kind of committee that will sit only in Ottawa listening just to the views of its own members or of lawyers and bureaucrats. This committee will travel to Canadian communi-

ties to meet the people and ask them to share their views and tell them what they think of our proposals.

Third, this committee will reflect, through its approach, the co-operative nature of the federation it will help renew. For the first time in the history of this country, a committee will the allowed to consult with other committees or groups of legislators in each province and territory.

[*English*]

These parliamentarians will not meet across the table. They will meet around the table, and they will not simply meet each other. They will be empowered to hold hearings together, joint hearings, in a process designed to make our federalism an instrument of co-operation among Canadians, not division. That unique dialogue can become both a means and an example of the consensus we seek.

I am writing today to the premiers and territorial leaders of Canada to ask for their support. Decisions about their legislatures are for them and for their colleagues to make. However I hope that all provinces and territories will find a way to work with this unique committee of Parliament.

Fourth, the committee will develop special procedures to ensure that the aboriginal peoples of Canada participate fully in the development of Canada's renewal, both respecting general questions which interest them as Canadians and particularly where there is a distinct aboriginal interest.

I have met with leaders of the four national aboriginal associations in Canada to ask their help in designing an agreed mechanism. Most recently I spoke by telephone with Mr. Ovide Mercredi, the new national chief. The language in the terms of reference provides maximum flexibility to create a system which respects the power of Parliament to decide yet recognizes that aboriginal Canadians have interests and have a unique perspective that cannot be met in a normal committee context.

An alternative proposal was to designate certain aboriginal leaders as *ex officio* members of the parliamentary committee. I considered that carefully. It could create a demand for other *ex officio* representatives which would have the effect of diluting the position of both the committee and the aboriginal peoples. The model that we are examining gives aboriginals a wide opportunity to influence decisions that *ex officio* status would not.

I make the point clearly so that there is no doubt. What we are proposing is a system that would not change in the least the capacity of national aboriginal organizations to come as witnesses, but in addition to that right which is open to them and to other Canadians, there would be a particular capacity to have the perspectives of aboriginal Canadians considered regularly and in depth by the committee that must make recommendations regarding the future of our country.

• (1040)

Finally, this parliamentary committee will be given all the flexibility and all the resources it needs to be open, to be inclusive, to be innovative. The committee can create as many subcommittees as it wishes. If it chooses, some of those subcommittees can take on the character of a constituent assembly on particular issues, always reporting back to the joint committee of Parliament.

The committee will be able to authorize whatever radio and television broadcasts it deems desirable. The committee will be able to create new mechanisms, whether they are round table discussions, specific issue panels or innovative communications channels, to make the discussion and the debate as deep, as democratic and as productive as possible.

I believe that this process and this committee form our best opportunity to bring this country together. The committee is both parliamentary and participatory. The committee will meet with its counterparts across the country, a federal-provincial-territorial experiment, which I believe can help renew federalism itself.

The committee will meet in public. The committee will reach out to Canadians from sea to sea to sea. It will be flexible, not rigid. It will be open, not closed. It will be inclusive, not exclusive, and its work will matter. It will be on the basis of the substance and the success of this committee that Canadians will then decide how we give effect to change that can renew our federation.

This committee has the potential and it has the mandate to change the tone and the content of constitu-

tional discussion in Canada. If it meets that potential, it can express a consensus on what changes should be introduced by the Canadian government, on what changes should be introduced by provincial and territorial governments, and on what changes should be approached by all of us working together.

Mr. Lapierre: Not all.

Mr. Clark (Yellowhead): The hon. member who was elected as a federalist and now flies other colours says: "Not all" of us. He will have the opportunity to participate as a member of Parliament—his party does not have the status of a party in the House—in these discussions. We hope that he will take an open-minded approach to these discussions. There are people here who would be interested in his point of view. There are people across the country who would be. We hope profoundly that he will be open-minded enough about the country which has given him so much that he will be prepared to consider the perspective and the point of view of others.

I do not believe it an exaggeration to state that never before in the history of this country has a committee had such a responsibility placed upon it. If this committee succeeds, it can be a central instrument of the renewal and the reform of this country.

Some would propose a different mechanism to bring this country together. A popular and prominent alternative is the constituent assembly. I do not dismiss that proposal, nor do I question the sincerity of those who prefer that option. However, after serious discussion and deliberation, it is our view that that would not be the best choice now. I do not rule it out for the future. Our judgment on those and other options will be influenced both by the recommendations of the joint committee looking at the amending formula for the Constitution as it will be by the success of the committee, the formation of which we are discussing here today.

However, I would like to make some observations concerning the concept of a constituent assembly. First, there is no consensus in the country on how such an assembly would be constituted and how it would work. Even such a prominent proponent of this option as the premier of Ontario recently acknowledged this reality. The breadth and depth of substantive differences in this country are already such, I would have thought, that we should think twice before adding a new difference on a new process which has never been tried.

How long would it take before agreement could be reached on the forum and the operation of a constituent assembly? What new tensions and emotions might that process evoke? Once the forum was agreed, if it was ever agreed, how long would the process take?

Second, it would be less than sensible, it seems to me, to embrace a process which has been rejected by the province whose participation we require to make our Constitution whole. What purpose would it serve? What message would it send if we adopt the very process to achieve that goal which the province of Quebec has ruled out? It defies logic , it defies common sense to attempt to arrive at consensus on the Constitution through a mechanism which from the beginning would leave out those whom we wish to bring in.

The interests of this country are best served by improving this institution of Parliament, not by replacing it. Premier Ghiz said recently: "We have existing traditions and I don't think we should abandon them". Premier Bourassa echoed those views when he said: *"Moi, je fais confiance à la démocratie parlementaire".*

Finally, as I have argued today, I do not believe the choice of a parliamentary committee implies rejection of the best features of a constituent assembly. Indeed that is what we are trying to do here. We are trying to select the best of both options by adopting special measures to ensure the full and meaningful involvement of aboriginal peoples by putting in place means to encourage joint meetings with committees of provincial legislatures and by mandating this committee to identify and implement innovative ways by which individual Canadians and groups can participate in the work of the committee by these and other means. I believe we have identified and acted upon the best of the parliamentary tradition and the best of the concept of a constituent assembly.

When I look at all the other proposals for a constituent assembly, I overcome my modesty enough to suggest that what I have designed is the most workable proposal that has come forward from any other quarter, although I am naturally prepared to hear other suggestions that

will serve all of the interests that we seek, including the capacity for the participation of Quebec.

This committee will require energy, imagination, and the help of Providence as it embarks on its historic task. The tempers of a year ago have subsided but they can flare again. The wounds which many suffered are beginning to heal, but the healing is by no means over. The sense of exclusion, misunderstanding and mistrust which has permeated this country remains, and it must be addressed.

In the eight weeks I have been in this job, I have listened to Canadians from coast to coast to coast. I have gone deliberately to those who have felt left out or mistreated. I have travelled to the north, to the west, to the Atlantic provinces. I have talked to aboriginal Canadians and several of their leaders. I have visited Ontario and Quebec, met with representatives of women's organizations, of the ethnocultural community and others. While Canadians are still angry at how things have gone wrong in our country, they are now looking for ways to help set things right.

I believe the committee mentioned in the motion before the House today can be one of those ways. It will seek the response of Canadians on specific proposals. It will help Canadians get to know each other, to understand, accept and I hope even treasure the diversity which blesses this country, the diversity which has built Canada and made it the tolerant, understanding and free country that it is.

In the months ahead Canadians must reflect on this country, on what it has accomplished, on the peaceable kingdom it has become, and on the bright future it can hold if we hold together. The Canadian achievement is unlike any other, a country that cares and dares, a country where rich provinces help poorer ones, where health care is a right and not a privilege, where the proud boast of our Armed Forces is that we are the best peacekeepers in the world.

We sometimes forget or deny just how special we are. We forget that this country secured its freedom without bloody revolution. We forget that we have maintained our unity without civil war. We forget that while so many others have chosen conquest and empire, Canadians have pioneered the pursuit of co-operation and of comity.

• (1050)

I want to quote Joseph Howe, Nova Scotia's great statesman, but before doing that I want to say that I note, as you undoubtedly will, that he spoke in a different age with a little less sensitivity to gender equality. But what Joe Howe said more than a century ago was: "Brag about your country, boys". Well, Canadians don't brag much, but there are others in this world who know what we should brag about.

When the Japanese want to learn about peacekeeping, they come to Canada to see how we do it. When anyone in the world interested in how people live together in human communities wants to see cities that work, they come to Canada to see how we do it. When Argentina's Mothers of the Disappeared wanted to learn about putting in place an institution to guarantee human rights and how they could secure those human rights, they came to Canada to learn from our achievement. When the brave democrats of the new eastern Europe want to find out about democracy or want to find out about municipal government, or want to find out about how they can build a social safety net, they come to Canada. When Americans want to figure out how to put together a better health care system, they come to Canada. When South Africans, black and white, want to learn about elections that are fair, legal systems that are just, and human rights that are universal, they come to Canada.

As we enter into this phase of this debate we have to ask ourselves: Is everyone else wrong about this country? Is Canada as ordinary and as common and as disposable as some would have us believe? Have we not built something here which is special and which deserves to be sustained?

Canadians need to ask those questions and we need to answer those questions. Canadians need to get to know each other; not to convince each other that their views are right but to come to accept and to celebrate the diversity that has blessed this extraordinary country. We can only build consensus around Canada if Canadians everywhere come to understand why others have priorities which are different from our own.

I remember several weeks ago coming out of a meeting in the West Block on Parliament Hill. I had just been meeting with members of the Alberta caucus of my party

and then with members of the Quebec caucus of my party. That is quite a bit for one night.

Mr. Lapierre: Both caucuses, too?

Mr. Clark (Yellowhead): In my case it is both caucuses and in the case of the hon. member I suppose it is both members.

However, I came out of the West Block and there was a bus full of students. They were shouting at me. That is not as unusual as I would like people to believe, that people shout at me, except that these were friendly shouts. I went aboard the bus and I talked to the students who were there. They were here as part of the Forum for Young Canadians. One young Montrealer said to me: "Mr. Clark, last week I was a separatist, but that was because I had never met anyone from the rest of Canada, and I am not a separatist now".

Too many Canadians have not met people from the rest of Canada. We see each other through filters, which are often false. We keep our distance. We keep our counsel. We should not do that.

The committee this House is considering today will help Canadians reach out to each other and to us, who they have elected, to build upon what is best about this country. Next year Canada will be 125 years old and next year can either be a requiem or a celebration of this country. That choice is one that Canadians will make. Our obligation today is to give them the opportunity to make that choice intelligently, to make it directly, to make it well, and to make it wisely.

It is in that spirit and for that reason that the government has proposed the establishment of this committee which will be the instrument which can carry the discussions, which can have the effect of leading Canadians into a renewed united future.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Madam Speaker, I am glad to participate in this debate today and my first words will be along the line of the minister's conclusions.

It is quite clear that many Canadians do not realize what is happening in this country. Some would like to break it, while so many around the world would like to come here. That people in this country would no longer believe in its fundamental values and would seek to break it is a source of great puzzlement around the world.

I would like to say, right from the start, that the Official Opposition in this House shares the views expressed by the minister, on behalf of the government, that an objective and just solution to this constitutional impasse must be found quickly. This is why, on behalf of the Official Opposition, I am happy to tell the minister that we are willing to go along with the approach suggested by the government.

On April 21st of this year, our leader outlined the main thrust of an approach aimed at solving Canada's constitutional problems. "It's time for a new Canada Round of negotiations" he said. "We must have a constitutional process and framework, based on principles which will allow for a quick solution to the current impasse, a solution which is faire to Quebec and to the whole of Canada."

The Leader of the Opposition reminded that it was up to the present government, the Conservative government, to make public rapidly its proposal for constitutional reform, so that hon. members of this House and Canadians in particular, could respond to the initiatives put forward by the government.

The Leader of the Opposition promised at the time—and I renew that promise today—that the Liberal Party would work constructively with the other parties in the House to help solve the national unity issue. The Leader of the Opposition, on our behalf, suggested that the government hold a national referendum to give legitimacy to its constitutional reform project. By trying for a large consensus in a referendum, we might help the acceptance of constitutional resolutions by the Parliament of Canada and all ten provincial legislatures.

Clearly, the Leader of the Opposition mentioned the need to act quickly. Why did he propose a fast process? This is because, in our Party, we recognize the deadlines set by Quebecers.

• (1100)

There was, in Quebec, the creation of an extended parliamentary commission, the Bélanger–Campeau Commission, which recommended to the Quebec National Assembly the establishment of two parliamentary committees, one to study the consequences of Quebec's separation or sovereignty, and the other to receive

proposals for in-depth constitutional changes from the Canadian government and other provincial legislatures.

The Bélanger-Campeau Commission recommended that, after completion of those studies by the two parliamentary committees, a referendum be held in Quebec either on those constitutional offers from the other Canadian provinces and the Canadian government, or just simply on Quebec's sovereignty.

We, in the Liberal Party of Canada, believe that those deadlines are true, are very clear and we want to abide by them, as expressed by distinguished Quebecers who sat on that extended parliamentary commission. It seems very important to us that this constitutional review process be very expeditious.

Of course, we would have preferred that the government of Canada react faster to what was going on and is still going on in Quebec. It is why we looked with some skepticism, some curiosity and even some amazement at the creation of the Spicer Commission, a sort of collective inhibition relief commission which, no doubt, played some role in getting the views, the suggestions, the comments, and particularly, the frustrations of many Canadians. But we were fully aware that that commission did not have the mandate to change the Constitution of this country and to solve the constitutional impasse.

So, several months later, we are also looking forward to see the recommendations, the findings of that commission and we hope that all of these millions of dollars will not have been spent needlessly.

Moreover, we agreed with the establishment of the Joint Committee of the Senate and House of Commons, commonly called the Beaudoin-Edwards Committee, whose mandate was to study the constitution amending formula, and to achieve better public involvement in the process. But, right from the beginning, speaking for the Official Opposition, we introduced an amendment which would have broadened the mandate of the Committee, because we felt that limiting the study to the amending formula was obviously not the key to the present constitutional frustration or deadlock.

The creation of this new Committee, with its mandate from the government, is really at the heart of the constitutional debate. For that reason, we welcome the government initiative and agree with the appointment of this Parliamentary Committee, because we think it is receiving the mandate that should have been given to the Beaudoin-Edwards Committee in the first place.

Thus, the government somewhat is belatedly assuming its responsibilities. But we are very happy to learn that it finally does, and that it intends to table a concrete constitutional amendment proposal, as the Leader of the Opposition suggested.

We are all the more happy because the minister told us that it will not be a take-it-or-leave-it proposal, but one which could be improved and amended not only by those who will sit on the Committee, but mostly by those who will appear, who will express their views before the Parliamentary Committee. That is precisely what the Leader of the Opposition had requested. Why are we experiencing this constitutional deadlock? Must I recall that unfortunately the last initiative taken by the Tory government was introduced on a take-it-or-leave-it basis? The famous Meech Lake Accord could not tolerate an improvement. And unfortunately, when a parliamentary committee studied the Meech Lake Accord, many representatives of the natives, of the French minorities outside Quebec, of women's movements told us that they could not accept this Accord for because they had their own reasons, that their objection had nothing to do with an opposition to Quebec legitimate requests.

Many of those people who appeared before this committee created to study the Meech Lake Accord and the companion resolution, the famous Charest committee, told us many times that they accepted the five requests of Quebec, but that the Accord included items that were absolutely unacceptable to them and that they felt rejected, cast aside and left out of. this constitutional reform exercice. I have in mind in particular several witnesses representing the various ethnic groups who now make up the Canadian mosaïc which is very different from what it was at the beginning of the century, when the Constitution was written.

Now, all these people told us: We have nothing against Quebec, but this Meech Lake Accord includes elements that we cannot accept because we feel rejected and the Accord will make the Constitution virtually impossible to amend in the future. That is why we cannot accept it.

Now, the reason I say this, Madam Speaker, is to remind members in what context we are living today. That is why it is very important for the constitutional process of the government to be an all-Canadian process this time, and not a Quebece process or one which favours some groups at the expense of others. The Canadian government's constitutional proposal must not only seem to be just and fair for all Canadians, including of course Quebecers, it must be so.

That is why the Leader of the Opposition insisted so much, in his remarks of April 21 last, that this coming round of negotiations be a Canada round. And I am very happy today to note that the minister has just told us that it was the government's intention to make a proposal which would answer both the legitimate aspirations of Quebecers and the long frustrated aspirations of the native peoples of Canada, who insist more and more on having their place in the sun, on being recognized as Natives of Canada and on being treated with justice and fairness as full-fledged citizens of this country.

• (1110)

The government's constitutional endeavour must take into account the legitimate aspirations of the regions of the country. Westerners have for a long time felt that they were incorrectly or inadequately represented at the federal level. So, how is it that today, so many western Canadians insist on Senate reform, on an elected Senate, a Senate better adapted to the needs and aspirations of the regions?

A review of Canadian governments shows that very often electoral forces were such that a Liberal government was represented mostly by members from the center of the country, that is Quebec and Ontario. So, very often, the most important portfolios or Departments were given to members from Quebec and Ontario, since they were few from the west.

Because of this situation, too often people from western Canada did not feel adequately represented by ministers and the Prime Minister. Then, the Conservative Party came into office and for the first time in a long while Westerners were represented by ministers from their own province, their own region, ministers who had important protfolios. These people thought they would be adequately represented at the federal level at last.

However, one of the first measures taken by the Conservative Government was to grant the CF-18 contract to a Montreal company though the lowest bidder was a Winnipeg concern. The western provinces were outraged by this decision and I would say it has marked the Conservative government's decline in the west. For the first time in a long while, they thought they would be equitably represented in the Parliament of Canada. They rejoiced because they were represented by Ministers at last. However, because of the Conservative government's decision the Westerners realized that as long as Ontario and Quebec members would be in force, they would never have an equal opportunity to have their fair share.

That is why Senate reform and a stronger, more numerical and more significant representation of western Canada—and that applies also to the Maritimes—have become so important in the constitutional amendment process that we will be asked to approve in the months to come.

Therefore, Madam Speaker, it is important that in its constitutional approach the governement say yes to the demands of Quebec while answering the aspirations of all the other Canadians who want a Constitution that fully satisfies them.

That is why the Leader of the Opposition proposed a constitutional reform plan in nine points. He first suggested a statement on the nature of Canada.

I listened a little earlier to the Leader of the Opposition's splendid description of our country. Now, his words could well be included in the Constitution to give a true description of what Canada actually is. When the Fathers of Confederation wrote the Constitution in 1867, Canada was not as it is today.

Now, it would be useful and important to have a statement on the character of Canada indicating the will of Canadians to cohabit in a federal State, describing clearly the fundamental principles of how such a State would operate and also listing the values we share as Canadians, our attachment to the two official languages that we consider to be absolutely essential, fundamental, the cornerstone of the Canadian State. We would also recognize this new reality, our reality of today, of a modern Canada in this ending 20th century with the diversity of our cultural heritage. We should also recognize clearly and specifically the place, the role and the

importance of the aboriginal peoples in the Canadian society.

We also think that Canada, in its constitutional reform, cannot go backwards. In 1981–82, Canadians gave themselves a Constitution, which finally sits at home, a Canadian Constitution, with a Canadian amendment formula, but also with a Charter of basic Rights and Freedoms which is enshrined into the Constitution and which is also another cornerstone of our Constitution.

Thus, it would be important to tell and reaffirm to all Canadians, because we have seen how strongly they want it, our commitment to the reinforcement and preservation of their rights and freedoms through the Charter. We believe it is essential that the constitutional changes suggested by any government, present and future, cannot and should not reduce the primacy of this Charter. I think that, in all those testimonies, people who came before various parliamentary committees have praised the merits of this Canadian Charter and stated clearly that they want the Charter to have primacy and remain the most important document for the protection and guarantee of rights, which we gave to Canadians ten years ago already.

We believe that, in light of the evolution of the world economy, the time has come to recognize that our federation has to give itself the required economic tools to better compete in the world market. At a time when we have just signed a free trade deal with the United States, at a time when we witness the explosion of borders in Europe and the creation of an economic common market on that continent, it seems essential to us that our Canadian Constitution guarantee the free movement of goods, services and people in all provinces of our country. How will we, Canadians, be able to compete with the great economic nations of the world if we do not have an economic market in our own country?

• (1120)

We think the time has come for us to reinforce the Canadian economic union through the free movement of persons, goods and capitals. We think the time has come for us to abolish all interprovincial trade barriers in Canada.

Of course, it is a decision that the government of Canada cannot make alone. Provinces have to recognize this new reality. We find it rather interesting that three premiers from the Maritimes met recently to discuss this issue. The Bélanger–Campeau Commission in Quebec made a similar recommendation. Moreover, my colleague, the hon. member for Winnipeg South Centre, has also proposed a similar approach for the Prairie provinces.

Everywhere, this initiative gets a very favourable response. Now the government of Canada has to take this opportunity to be in the forefront of this change and include in the constitutional talks that are about to begin the means to reaffirm this Canadian economic union which is essential to our country's prosperity.

I am all the more convinced when I say that because I am under the impression that the government is about to make concessions to provinces in some areas. We, of the opposition party, will certainly be the first ones to hope for a better division of powers and to hope that provinces can have, in certain areas, responsibilities that should have been theirs in the first place. If a new sharing of jurisdictions between Ottawa and the provinces is to take place, Ottawa should not only transfer powers to the provinces in this constitutional reform, but also assert the necessity for the Government of Canada to retain jurisdiction in certain areas.

The Official Opposition cannot accept any excessive reduction in the importance, role and mandate of the central government. We are deeply convinced that what is at stake is the prosperity of all Canadians. A thriving Canadian economy depends on a Canadian government endowed with the means and responsibilities to play an economic role.

Of course, we feel that the time has come to rewrite certain aspects of our Constitution concerning the sharing of powers. In 1991, it is not possible to think of the Canadian Constitution the way it was done in 1867. A modernization of our Constitution is in order. Some powers that are now in Ottawa and some shared responsibilities should be reallocated in the best interests of Canadians.

The approach recommended by the Leader of the Opposition is a practical one. Speaking for the Liberal Party, he said that no power should be considered sacred. The Canadian Constitution can be completely revamped. However, that should not be done in order to give a little more or a little less to any level of government, but in

order to find the most practical, economic and useful approach for Canadians.

That should be our main goal in our constitutional reform. We should strive to find a sharing of jurisdictions between the Government of Canada and provincial governments that is for the well-being of Canadians. How can we best serve Canadian men and women? Which government is more apt to do the work as efficiently as possible. So, it is from this perspective that we are ready to receive and consider with an open mind all the suggestions that the government of Canada will make in this regard.

We also mentioned that it was essential to remember, during this constitutional reform process, a group of Canadians that we often neglected and that, unfortunately, we even treated unfairly occasionally. I am talking about the native people. We all remember what happened when the Meech negotiations were coming to an end; at that time, we felt very clearly that the Native leaders wanted to be part of any and all constitutional reform. I, for one, was a member of the parliamentary committee chaired by the hon. member for Sherbrooke, Mr. Charest. Time after time, all the witnesses told the committee that they had been forgotten in this round of constitutional negotiations, that they could not accept such a situation anymore and that they insisted on taking part, in the future, in any constitutional negotiations.

Now, the Opposition leader clearly said, on behalf of our party, that it was important that the government recognize, in its constitutional reform proposal, the right of Natives to self-government and that it was absolutely essential to examine the status, rights and claims of the Native people. We think that there is enough understanding and tolerance in this country so that we can establish a relationship on a new basis with the Native leaders; we also think that dialogue and cooperation must be part of the future Canada where we would like to live.

That is why there is a certain feeling of apprehension as we on this side of the House prepare for the proceedings of this parliamentary committee. We are very glad to see the government has agreed to make these hearings public, to have them televised, to have the committee travel across the country and try to meet as many people and as many groups as possible, and that the committee will be able, if possible to have joint sittings with representatives of the various legislatures and territorial governments. We think it is the only sensible and practical solution, at this point.

• (1130)

As I said at the beginning of my speech, Madam Speaker, we are running out of time. We must act quickly. The country's elected representatives, the members of the House of Commons, can and must do a job they were elected to do. That is why we believe that in this particular context, setting up a constituent assembly, although it may look good on paper, is not particularly useful.

We have a constitutional deadlock, and there are deadlines we must meet. That is why although theoretically, we in the Liberal Party might favour setting up a constituent assembly, we feel we cannot afford to experiment with Canada's future. And above all, we cannot accept the proposal made by the New Democratic Party to create a constituent assembly consisting of 50 elected members of Parliament and 50 people chosen by parliamentarians. To have one hundred people travelling across the country and talking about the Constitution would be like a traveling road show and might compromise the constitutional future of our country.

Mr. Gérin: Canada's road show!

Mr. Ouellet: We cannot afford the kind of experiment that might compromise the future of our country. Since we all know that the Government of Quebec has clearly and categorically rejected the concept of a constituent assembly and that it prefers to receive specific proposals from the government, we in the Official Opposition wonder why certain parliamentarians insist on promoting an option that has already been rejected by one of the major players in Confederation.

We feel it is useless to impose a procedure that is not acceptable to one of the major members of our Canadian entity. That is why we prefer the government's proposal, which allows for public involvement and participation through a number of subcommittees to be created by the parliamentary committee.

We also believe it is essential to send invitations to all Canadians who will want to appear before this committee. As we see it, there will be three ways of involving the public, which I think makes more sense that having a constituent assembly that would consist of a chosen few,

a restricted elite that would meet in a committee and, on its own, determine what our future Constitution will be.

We do not think that is the right answer. We prefer to involve the Canadian public in three ways. First of all, there would be subcommittees of the parliamentary committee proposed by the government, whose members would represent groups with an interest in constitutional amendments; second, public hearings where individuals and associations will be invited to testify and suggest amendments to the government's original proposal. We feel this approach is absolutely essential.

Finally, the really democratic way to involve Canadians would be to hold a referendum on the parliamentary committee's final proposal. The important thing is to avoid making the same mistake we made in the last phase of the Meech Lake Accord. The Canadian people must be involved in a positive way—from the very beginning, during the process and at the end of the process.

That is why the Leader of the Opposition suggested that the referendum be held after this parliamentary committee finishes its work and that the committee's proposal be submitted for approval to the Canadian people. We feel it is important that Canadians also be given a chance to get involved in the preparations for this new Constitution we want to give our country.

There is nothing as rewarding and patriotic as voting for one's Constitution. I think Canadians are ready and want to express their approval of the work that will be done by the government, in consultation with the provinces and with those who want to improve on the government's proposal.

We in the Liberal Party of Canada believe it is not up to a chosen few, an elite of 50, as suggested by the Democratic Party, to make decisions about our Constitution. It is up to the Canadian people who, in a referendum, will be able to express the views of the majority, across the country and in each of Canada's major regions, on constitutional reform.

These are the tools we have to help us make major strides towards resolving the present constitutional crisis. We think it is essential that, above and beyond political parties and partisanship, the men and women who sit in Parliament—in the House of Commons and the Senate—were together to offer all Canadians a constitutional proposal that is fair and equitable to all Canadians, in Quebec and elsewhere. The needs and aspirations of every one of us must be reflected in this new constitutional proposal, and no one in this country should feel left out of the process. Above all, we must not give the impression we only want to deal with the problems of one particular group or province.

We must deal fairly and equitably—which is the Canadian way— with a constitutional problem that is a concern to us all, wherever we happen to live in this country.

Madam Speaker, in concluding, we may remind hon. members it is essential that the parliamentary committee be as representative as possible. The motion before the House proposes to appoint 15 members of the House of Commons. We think this is not sufficient to adequately reflect the Canadian mosaic.

In this Parliament, we have the good fortune to have members, both men and women, who are more than adequate to the last of representing the interests of those groups that make up our country.

• (1140)

We also have the good fortune to have members in this House who represent the many ethnic groups that came after the first settlers and who are now an integral and in fact a major part of Canada. We think that expanding the membership of this committee to a certain extent would be a way for the parties to reflect this new Canadian reality.

We also have the good fortune to have as members representatives of our native people, and we think that this time, in this constitutional round, those who sit in Parliament for our native people should be entitled to sit on this parliamentary committee.

That is why we suggest that the government increase the number of members to allow for more equitable representation. It is essential that members representing Canada's official language minorities also have a seat on the parliamentary committee. There are more Francophones outside Quebec in Canada today than there were at the beginning of Confederation. This French fact outside Quebec is very important, and I must say I regret that some Quebecers think the French language is the

exclusive purview of the Government of Quebec. The French fact goes well beyond Quebec's borders. The French fact in Canada is the best protection we could have against the influence of American culture. French-speaking minorities in the other provinces around Quebec are living proof of the success and survival of the French fact in North America. We must never forget that.

There is another important minority whose existence we must not forget, and that is the English-speaking minority in the province of Quebec. Quebec has known periods of prosperity that were closely linked to its generous and equitable treatment of its English-speaking minority. I say without hesitation that quite often, Quebec's economic misadventures have been directly related to the existence of a separatist, sovereigntist movement in Quebec. When the sovereigntist movement gains strength in Quebec, the economy suffers. When the sovereigntist movement weakens, Quebec prospers. I would ask Quebecers to remember this: Quebec's survival and economic prosperity depend on the fair and equitable treatment of this English-speaking population in Quebec.

For all of these reasons, I wish to remind the government that it is important to treat opposition parties fairly. I assume the New Democratic Party will make its case to the government for improving this parliamentary committee. There are three comments I would like to make in the form of three small amendments which, we feel, are vital, considering the job to be done by this future parliamentary committee. We earnestly hope the committee will be appointed and will be able to report as soon as possible because, as I said earlier, this is a very urgent matter, and we are running out of time.

Madam Speaker, needless to say, the uncertainty created by this constitutional crisis is having a negative impact on our economy. How many investors have changed their minds because of the following consideration: Will Quebec which represents a quarter of Canada's population still be in Canada in two or three years? How much investment is not taking place in Quebec and other parts of Canada because of this constitutional uncertainty? We have no figures, but the impact is there. It exists because of this uncertainty which we must clear up as soon as possible.

That is why we suggest that the government table its proposal and that the parliamentary committee submit its conclusions as soon as possible, and above all, that Canadians be asked to vote on this new Canadian Constitution that will satisfy Quebecers and correspond to the aspirations of other Canadians.

In concluding, I move:

[*English*]

> That the motion be amended by deleting the word "fifteen" in paragraph 2 thereof and by substituting therefor the word "twenty" and by deleting paragraph 12 thereof and by substituting therefor the following: "That the parties represented on the Committee be granted allocations for expert assistance with the Committee work in proportion to the representation of the said parties in the House of Commons;" and by deleting the words "February 28, 1992" in paragraph 14 thereof and by substituting therefor the words "December 31, 1991".

Madam Deputy Speaker: The Chair will take this under consideration for a few moments. I will come back and put it to the House a little later.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, I have listened attentively to the Minister responsible for Constitutional Affairs and to the Official Opposition, and I certainly welcome this opportunity to participate in this important debate. It is a debate that really establishes the foundation for how we are going to build our constitutional future. Therefore it is an essential debate, it seems to me, for the future of our country.

What we are talking about today is simply trying to find the best way to ensure the future of our nation, finding that road that will enable us to be a stronger nation, to have a renewed federalism—not just for today—that will lead us into the 21st century.

My party and I start with the premise that we want to see a renewed Canada, a just Canada and a united Canada. However, in this party we believe that it will take more than a commitment to a constitution. It will also take a commitment to building a fair and prosperous economy, to having those kinds of national social and health programs that mean that each Canadian has equality of access to those programs and to restoring health to our shared natural environment.

Today we are debating the constitutional resolution and how we, as a Parliament, will respond to Canadians and how we, as a Parliament, will seek that consensus that will truly bring us to the 21st century.

• (1150)

I believe that we as parliamentarians share a commitment to the future of this nation, and we share as Canadians a commitment to our children's future. We want Canada and all that it represents to the world to succeed.

I believe and my party believes that the success of Canada is dependent upon the full participation of Canadians in the process of national renewal.

I regret to say that the motion put before us by the government does not allow for that full participation. Once again the government is proposing a parliamentary committee. I would like to propose an amendment to this particular motion of the government. The amendment I would propose is, of course, to fundamentally create a structure which would include all Canadians right at the outset, but I know that it will be ruled out of order. In the 20 minutes that I have, I do not want to take up time debating that, but rather to put forth the point of view that there is another way, there is a different way to do this, and there is a way that will lead to success.

Once again, the government is proposing a parliamentary committee in which—remember—the government has the majority control. The purpose of the committee is to discuss the government's proposal. Once again we have a committee made up of senators and members of Parliament in which Canadians are invited to visit, but a committee that belongs to politicians and politicians alone.

Once again, Canadians find themselves on the outside looking in.

My party cannot support the government's motion. We are saying it is time for a new way. It is time to bring Canadians fully into the process. This is an extraordinary time and it requires extraordinary measures. We have to meet the challenges facing our nation with innovation, imagination and openness. Canadians must be involved and must feel involved in this process.

While both the government and the Liberal Party are supporting the joint parliamentary committee, my party has proposed, both in the House and elsewhere, that we should be seeking to establish instead a constituent assembly. We are proposing this form of assembly because a nation can only create a Constitution through creating a social consensus. We believe that the best way to do that is through the kind of assembly we are proposing, an assembly which would represent a broad cross-section of Canadians in the most promising way to reach that consensus.

There is no perfect way. We are not pretending to suggest that we have the perfect way to do it, but we feel profoundly that we must look at new ways and we must take the time to do that.

The member for Papineau, speaking on behalf of the Liberal Party, says that those new ways would be playing around with the future of Canada. I reject that. What we want to see is the future of Canada with Canadians involved in defining that future and speaking for Canada.

The member from Papineau, speaking on behalf of the Liberal Party, says that a constituent assembly that would respond and listen to the voices of Canada is a flight of fancy. It seems to me that it is time to really listen to Canadians because if the attitude of parliamentarians in this House is that the voices of Canadians are simply stating a flight of fancy, where can we go to find the consensus we must reach in order to save this country?

I want to contrast some of the differences that I see between a joint parliamentary committee and a constituent assembly. In doing so, I think this House will find some of those arguments extremely compelling in favour of a constituent assembly.

The government argues that the public will have a role in the parliamentary committee. The committee will travel so that Canadians will have the opportunity to appear before it, and in that way Canadians will be able to have their views heard.

In the government's opinion this is a full public role, but surely there is a difference between being a witness at a committee and being a member of a committee. A witness may have his or her opinion ignored or lost in the further discussion when a consensus is negotiated, but a committee member's view cannot be ignored. A committee member can ensure that his or her view is truly heard.

[*Translation*]

That is why, Madam Speaker, we must set up an entity such as a constituent assembly, made up of Canadian men and women from various groups and communities which are somewhat left out of the electoral process and under representend in it. I am referring to women,

native peoples, ethnocultural groups and Canadians from all walks of life.

This way, we will make sure that the views of every Canadian are reflected in the final product of a genuine consultation process.

I spoke with the leaders of a number of organizations representing millions of Canadian men and women. They told me that they have had it with preparing briefs to submit to various committees only to realize that their views and opinions are always ignored.

Just yesterday, I met with members of the National Action Committee on the Status of Women who told me in no uncertain terms that they will no longer take part in this obsolescent consultation process. Why should they, Madam Speaker? Why would the thousands of Canadian men and women who testified before the Beaudoin–Edwards Committee want to come before this committe? Why would they indeed when they see the government go ahead with its plans, pursuing its own agenda, and this even before these committees table their reports and conclusions?

It is an insult to the intelligence of the Canadian people who have submitted well–thought–out and constructive briefs to the Spicer Commission and the Beaudoin–Edwards Committee, Madam Speaker! This government did not even have the decency to wait for the commission and the committee to table their reports and listen to what they had to propose.

This is not consultation, Madam Speaker. It is a waste of time, effort and energy for Canadian men and women.

[*English*]

Madam Speaker, one cannot also avoid, when discussing the proposed committee, the fact that its membership is government dominated and the content of its discussions will be documents referred to it by the government. In other words, the government will have control over the committee, over the scope of the debate, over the writing of the final report. When the governing political party has such control, I find it difficult to attach credibility to the government's frequent proclamations committing itself to non–partisanship because to my party, the Constitution of Canada does not belong to the Conservative government, it belongs to the people of Canada.

Some hon. members: Hear, hear.

Ms. McLaughlin: This House and Canadians have had experience with such government controlled committees before. There were committees after all on the trade deal with the U.S. There were committees on the GST. They all had public hearings and we know what Canadians thought about that.

To the surprise of no one, those committees supported the government. The government went ahead with its policies and ignored the views of Canadians. That must not be allowed to happen on this fundamental issue.

We cannot leave a committee on the future of Canada open to such dictates. It must not serve the interests and agenda of one political party. It must serve the interests and the agenda of the Canadian people.

Some hon. members: Hear, hear.

Ms. McLaughlin: Madam Speaker, one final word on the composition of this proposed committee.

• (1200)

The Liberal Party has proposed that we have more members on the committee, but I have to confess that I cannot believe that when Canadians are calling for a larger role in this debate, the government's response is to appoint 10 unelected, non–representative senators to the committee.

Why have they been given such a major role on the committee and why have the views of those Canadians who are not represented in this House not accorded any voice? This is the question that Canadians will be asking of this government. This is the question that this government must answer.

I suspect that the government has decided to strike a joint parliamentary committee and the Liberal party has agreed with that because that is what they have always done. There have always been joint parliamentary committees, but this is the 1990s and this is an extraordinary situation.

We are not opposed to committees, of course We are not opposed to even joint parliamentary committees, but we are saying that in this extraordinary situation it is time to find new solutions and new ways. It is time to be creative and stop turning to the old ways.

My party and I believe that a body like a constituent assembly could be that new way that Canadians are looking for. It would bring Canadians into the process of Canadian renewal and it would ensure that their participation is meaningful, that their voices are heard, and that their views count.

The majority of Canadians, I might add, agree with my party on the issue of having a body such as a constituent assembly which would listen to Canadians. I am told that in the Edwards-Beaudoin committee 158 groups supported the principle of a constituent assembly, which only 23 groups opposed.

[*Translation*]

Both this government and the Liberal Party are against the principle of the constituent assembly. The government gave two reasons to explain its position. It claims that Quebec would be excluded from the process and that the assembly would by-pass elected representatives.

I would like to rebut these two arguments. First, I would like to ask the government who will represent Quebec on this committee. Members of Parliament or non-elected senators?

A constituent assembly would also include Quebec members of Parliament, Madam Speaker. It could also include representatives from the labour movement, women organizations and other Quebec society groups.

In short, a constituent assembly would allow for a greater participation of the Quebec men and women and a more detailed expression of their aspirations.

I would like to remind this House that the people of Quebec are not against the idea of a constituent assembly. The Quebec government simply said that it would not take part in it. It does not object to the creation of that kind of a forum.

In fact, sooner or later, there will be a constitutional proposal. The question is how will we come up with one? Will it be formulated by a governmental committee or by the people? I think that the people of Quebec, like other Canadians, would rather like it to be representative of the largest possible section of the population.

[*English*]

The Conservative government and the Liberals also argue that a constituent assembly would mean that we were in some way not respecting parliamentary tradition and the parliamentary process. This simply is not the case. A constituent assembly would include elected officials and it would report back to Parliament.

I reject the argument that the parliamentary system would be by-passed because in fact under our current Constitution it is the Parliament which must make the final decision along with the provinces. I reject that argument. We know that the buck stops here. We know that parliamentarians will have the decision on the proposals. The question is how do we reach a consensus so that together in this House we can work toward the kind of future for our nation that we all so badly want to see.

The other parties in this House argue that it is up to elected politicians alone to come up with the answers. As much as I agree that an elected politician has an important role to play, a principal role to play, I must say that we as elected politicians certainly do not have a monopoly on creativity, intelligence or concern for the fate of our nation.

To suggest that we are the only proper representatives of the people's will is not only inaccurate in latter 20th century democracies, but also arrogant.

Some hon. members: Hear, hear.

Ms. McLaughlin: The reality is that we have been told by the government that this House represents a form of constituent assembly. It is true that we have all been elected to represent the citizens of our particular riding. The majority of people in this House do that well, but there are other eyes and other voices that are not as well represented in this House. The House fails to accurately reflect the Canadian population. When you look around the House of Commons, you do not necessarily see a microcosm of Canada. You do not necessarily see the reflection of the face of Canada in 1991.

For example, women who make up over 50 per cent of the population make up only 14 per cent of the House of Commons. Visible minorities and other ethnocultural communities are seriously under-represented. Aboriginal people are seriously under-represented. Disabled people are under-represented. Labour is under-repres-

ented. Middle income Canadians and working families are under-represented in this House.

These people have ideas to bring to the debate on the future of our nation. They have something to say. We must create a forum where they can be heard, and will be listened to. We must create a forum that will ensure that this constitutional round is a constitutional round for all Canadians.

Some hon. members: Hear, hear.

Ms. McLaughlin: Madam Speaker, as we undertake this task— and a very serious one it is—we are really talking about painting a grand new canvas, a portrait of our nation as we want it to be. We cannot leave the painting of the portrait to a small group of artists who interpret Canada from one perspective. There must be a great gathering of painters and artists, a diverse group, each offering something unique and all joining together to achieve a shared vision, a common landscape, a portrait in which all Canadians see themselves.

We can create a new, a more prosperous, more generous and more understanding Canada if we bring Canadians into this task. A constituent assembly is the way to do that, and it is a far better way than that proposed by the government.

I want to close simply by saying that I take no pleasure in standing here in this House to say that the New Democratic Party cannot support a government initiative on the Constitution. I say with honesty that I would like to agree with the government on this. I would like to agree with the Liberal Party, but I do not agree and it is the responsibility of my party, a responsibility which we proudly assume, to provide a voice for those Canadians who seek a new way to build our nation.

I will persist in opposing the repetition of constitutional processes that have so clearly failed in the past. I will persist in repeating my party's message that the process must be open to all Canadians. I have no certainty that there is only one right way, but I do know that millions of Canadians believe that it is time to have the voices of Canadians throughout this country from different origins and different walks of life as an essential part of the process with a voice and a vote.

To us, an open participatory process shows the greatest promise for national renewal. It provides the greatest hope for a Canada that is more just, more caring and more united. I assure you, Madam Speaker, that I will not let go of that vision. I will continue to speak out my party will continue to speak out until that Canada becomes a reality.

Some hon. members: Hear, hear.

• (1210)

Madam Deputy Speaker: Before proceeding with the period of questions and comments, I would like to indicate to the House that the amendment as proposed earlier by the hon. member for Papineau—Saint-Michel has been found correct as to form.

We will now proceed with questions and comments following the speech of the hon. member for Yukon.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I have a question for the member for Yukon. She seems to be strongly against the government's motion ant she mentioned, in support of her argumentation, certain solutions like the constituent assembly which might be used.

[*English*]

In her speech the member, and I wanted to quote her correctly so I noted it here, talked about the constituent assembly and how she thought this was a solution and that any other means would not be a reflection of the numerous groups that are not represented here in the House.

The affirmation she made was: "How do we reach the consensus?"

The NDP feels strongly against restricting this committee to elected representatives, given the historical fact that constituent assemblies in this country were not used, not even to write our 1867 Constitution. It was a group of elected people in 1867 who wrote our first Constitution.

Given the fact that around the world a constituent assembly is only used after a revolution or a civil war or when a new constitution is to be drafted—and I am thinking of Germany, Australia and France in particular—the main question to be addressed is: How do you choose the members of this constituent assembly to keep it within reason and, indeed, how do you get a consensus out of this group of people?

I want to ask her sincerely the following question: How do you select the people who would be on this constituent assembly? Does she have any proposals to put to the House? I did not hear any in her speech.

Finally, would she tell us how she would go about selecting those people who would be non-elected—I understand she named people from various groups such as women, aboriginals, labourers, and working families—asking for adequate representation and giving these people a mandate which in my view would be very difficult to fill.

Ms. McLaughlin: Madam Speaker, my hon. friend cites history. Had that history worked so well we would not be in the problem we are in now. What I am suggesting is that we have to look to some new ways.

The member asked a very good question: How would we appoint people or how would we have people on this constituent assembly?

I would like to make one point. First of all, we have the ability in Canada to define the kind of assembly that we want, not an assembly that is based on what another country has had. We can certainly learn from other countries, but we have the ability to create our own. I would say that there is a perfectly simple way of doing this.

Of course there would be parliamentarians on a constituent assembly. I have always maintained that for the past year. I have talked about this issue, but there is a number of national organizations which represent a broad spectrum of groups that have a particular stake in the Constitution and have been left out in the past. It would be my view that we would ask those organizations to nominate one or two members. It would in fact be possible, and quite possible it seems to me, that with many of those national organizations they may choose to nominate a person from Quebec and a person from somewhere else in Canada outside Quebec. This would give a greater Quebec voice to a constituent assembly than might be held in other fora.

I would say to the member that it is not outside our ability to develop an assembly which, while not perfect, would at least represent the major stakeholders in the process that we use. It seems to me that those national organizations which have legitimacy among their members and among the members of this House, because we often meet with these national organizations, would be quite capable of nominating the members they would choose to sit on such an assembly. It is not that complicated.

Whenever politicians want to shoot an idea down, they say it is too tough to deal with. It is not too tough, and we are saying it can be done if there is the political will to do it.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Madam Speaker, we were extremely surprised to hear the position of the NDP to the effect that we could very well do without the presence of the province of Quebec or of members of the National Assembly within the constituent assembly. What an insult that is, Madam Speaker, to the population of Quebec, and it goes to show you why the NDP has an image problem in Quebec. And now they probably want to repeat the dirty trick Chrétien, Ouellet and others played on Quebec in 1982 when they repatriated the Constitution without Quebec's consent. Here is what one can do. At that point in time, Prime minister Trudeau said: We do not need the members of Quebec's National Assembly, we have members over here representing that province. This is what we are opposed to. It did not make any sense at that time. Conservatives denounced it. New Democrats denounced it. Now, here is what these hypocrites propose today. The president of the Privy Council is no better because he just said that there will be no member of the Bloc québécois on his committee, and that therefore he will do without half the population of Quebec.

So, if the NDP and all those funny people in the House want a constituent assembly to define what they want English Canada to be, their Canada, and not the country Quebecers want, well they should say so clearly. They should not try to make Quebecers believe that they want to build a Canada for all Canadians, including Quebecers. Perhaps they are entitled to their own country. Perhaps they are entitled to their own culture and traditions, but they should say so clearly, otherwise it is just a big joke.

Madam Speaker, I would like to ask this question to the member for Yukon: Does she agree with the ignominious proposition made by the president of the Privy Council that all members of the Bloc québécois should be excluded from the committee because they have a

different point of view than Joe Clark and his Tory colleagues?

[*English*]

Ms. McLaughlin: First of all, I would like to say that the member clearly misunderstood what I said about the participation of Quebec. What I said is of course Quebec should be a part of the constituent assembly. We would want to see Quebec a part of the constituent assembly; not just the Government of Quebec but all those constituencies in Quebec that we feel make up a constituent assembly in Quebec and have a lot to say about it. We want to listen to what all Quebecers have to say.

• (1220)

An hon. member: Including the Bloc Quebecois.

Ms. McLaughlin: Second, I would remind the member that in Quebec the Belanger-Campeau commission struck in Quebec certainly did include a large group. Is this member and are the Liberals trying to tell this House that that kind of commission which included labour, business, and elected and non-elected officials did not do its job? Well it did do its job for the people of Quebec, and I am just saying that a constituent assembly—

Some hon. members: Bravo, bravo.

[*Translation*]

Madam Deputy Speaker: The questions and comments period is over. Resuming debate. The hon. member for Beauharnois-Salaberry.

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs): Madam Speaker, in one year from now, the Canadian Confederation or the Canadian nation will celebrate an anniversary on a great land running from the Atlantic to the Pacific ocean, from the Canadian tundra to the American border. We were invited to that celebration almost one century and a quarter ago.

Yet, this event, Madam Speaker, grips me with anguish because sometimes I fear that when the day comes, no one in this country will want to celebrate, no one will be there to blow the 125 candles.

Madam Speaker, I don't think it is exaggerated to say that Canadians are out of breath. From 1867 to this day, they have been running till they were out of breath after their destiny. In 1982, they almost choked and last year, they had to hold their breath, Madam Speaker, in the troubled waters of Meech Lake. Sitting around the kitchen table, standing in huge wheatfields, their feet rooted in their boat, deep in the bottom of mines or behind their desks, Canadians are discussing in a hushed voice. From secret to confidence, they learn a new vocabulary: distinct society, separation, national identity. It's enough to lose one's language! I am not talking here about English or French.

I am talking, Madam Speaker, of the language of disappointment, of messages sometimes negative, sometimes contradictory, misunderstood or incomprehensible language that bursts out from here and there, a dialogue of the deaf, the Babel Tower, lost words and attitudes of defeat.

Madam Speaker, is it not the time for Canadians of all provinces and territories, citizens of old stock, First Nations, newcomers and all others to stop looking only after their own interests?

I think time has come for the whole family to sit around the same table, to wash their dirty linen in public and to resolve their quarrels before the sound of the tocsin.

You may judge my words rash, but I do not want to oversimplify the problem, far from there. I know very well that it is not easy to have a real and lasting dialogue from one end to the other of this immense territory, but I also know that the mission is not impossible. We only have to look at what is happening elsewhere.

On the other side of the Atlantic ocean, 12 countries of different cultures and languages, forgetting their differences, are preparing to put together their economic resources. They are going to combine their visions of the future in order to face the year 2000 in a climate of unity and mutual respect. This is in 1992, the very year which will mark for us 125 years of national survival.

I think the time has come, Madam Speaker, for all Canadian men and women, whether they live in Valleyfield, Lethbridge, Iqualuit, Goose Bay, Verdun, Kanesatake or elsewhere, to see what is happening in their neighbour's backyard, to get switched on to the world's major trends, to settle internal disputes in order not to

miss the boat of the new millennium. One has never made any major discoveries by sitting on a pier.

Last year, the Citizen's Forum on Canada's Future showed that Canadians were very keen on making their view points known, that they showed creativity and ingenuity about the way their common future would unfold.

Mr. Gérin: I rise on a point of order, Madam Speaker!

Madam Deputy Speaker: On a point of order, the hon. member for Mégantic—Compton—Stanstead.

Mr. Gérin: I rise on a point of order, Madam Speaker, which is very clear. The fact is that a member must not read his speech. It is obvious the member is now reading a speech which has been prepared in the backroom of some department and is not using his own words.

Madam Deputy Speaker: I think that the way our Standing Orders read now it is quite possible for a member to base his or her speech on notes he or she has in front of him or her. For the time being, this is how I interpret what the hon. member for Beauharnois—Salaberry is doing. The hon. member for Beauharnois—Salaberry.

Mr. Hudon: Madam Speaker, after having been so eloquently interrupted, allow me to talk about this new parliamentary joint committee that was just proposed this morning. The appointment of this committee is timely, considering there is, as we say, some bickering going on.

Madam Speaker, over the years this instability has brought on a certain cooling off in the federal-provincial relations, as well as real disillusion within the population. In short, the constitutional fabric does not seem to be thick enough anymore to keep the country warm. The data provided confirm those fears. Our future is certainly in jeopardy when 70 per cent of Quebecers expect to leave the rest of the country; when 61 per cent of Western Canadians say: "If they want to leave, let them leave!" We need much more than wishful thinking to settle the conflicts between the different regions of the country. However, we are not yet at the stage where we have to rely on miracles. Let's just say that the time has come for some acts of faith and confidence.

Madam Speaker, this new parliamentary joint committee on unity is different in the sense that its speaks in ten languages for the ten provinces and the two territories. The committee will listen to the aboriginal people, to the man on the street, to long time Canadians and new ones. In short, the committee wants to communicate. As we know, its mandate is to obtain the opinions of Canadians concerning the government proposals. Some might say that it is not a very original mandate.

Yet, there is something new. For the first time in our history, a government is committing itself to appointing a committee which, thanks to a new and more aggressive approach, will enlist the participation of all of the provinces and territories into a new highly democratic adventure.

More concretely, the committee will have the power to hold joint sittings with the committees of legislature or individual members of provincial and territorial legislatures. It will also have the power to appoint sub-committees from among its members and to delegate numerous powers to those.

At a time where partnership is what it's all about, the Government of Canada is getting into high gear. It advocates a versatile approach and a philosophy based on widespread consultation, which will enable every group in the country to become equal partners and to choose together their common future.

Madam Speaker, this committee will also give a chance to Canadians to participate fully in the development of an action plan for the renewal of the country. However, the constitutional structure will only hold if there is a solid base and if we use the most adequate techniques.

The parliamentary joint committee on unity is a democratic model comprising two parts: first, a committee made up of federal parliamentarians representing all Canadians; secondly, elected provincial and territorial representatives who, by dealing with their federal counterparts on the same level, will express the needs and expectations of very distinct regions.

Madam Speaker, I purposely use the expression distinct regions. It is an expression that the Quebec nation, of which I am proud to be part of, has taught Canadians from coast to coast last year. However, the differences

must not make us forget our links and those links, must not, in turn, become chains.

I therefore invite very sincerely Quebec to fully participate, with the enthusiasm, the perseverance and the energy that it has displaid so often in the past, to the setting up of this new special joint committee on Canadian unity. I also urge all the other provinces and territories to do the same. I invite them to clearly express their own views, while recognizing, at the same time, that there are, within our borders, other visions, other distinctions that also deserve to be appreciated and preserved.

In that regard, Madam Speaker, I am very pleased that the committee will give particular attention to the presence and the participation of the First Nations. There presently exists some 604 aboriginal tribes in the country. This translates into as many lifestyles, perceptions and experiences that will contribute to the work of the committee. Those are legitimate concerns that the country as a whole will have to deal with.

• (1230)

At the table, the First Nations will sit in the front row next to the provinces and territories. At provincial meetings, parallel talks with native groups might even be considered. Because of all these initiatives proper attention will be paid to every view point and every need.

In spite of the problems tugging at the country right and left Canadian men and women are still quite fortunate—some may even call it a privilege—to be living on a free and prosperous land. We have acess to the best medical care possible, our children receive the finest education, our universities, industries and institutions train specialists whose knowledge and skills are prized world-wide.

The new joint committee on national unity intends to make good use of this unique natural resource. It will give top billing to scientists, thinkers, entrepreneurs, academics and other Canadian experts.

It will give them a unique opportunity to put their knowledge and ideas to the service of the entire nation, to help the people achieve a consensus. To this end, various activities are contemplated, such as round tables or even conferences to find, through the exchange of ideas, answers to sensitive or complex questions.

Madam Speaker, the measure I am outlining to you today is not meant to heal Canada's constitutional wounds. It should not be seen as a trade-off to make people forget about past failures. Lessons from the past have to be learned for the future.

We learned a great deal from the disappointments of the past decade. They revealed that Canada is not a homogeneous entity, but a nation made up of a number of small regional nationalisms just waiting to bloom under a flexible central government that would respect their rights.

They made us take a good hard look at our multifaceted national identity. They made us aware that, in Canada, a Canadian is a Canadian, whether his or her ancestors settled the virgin land of Abitibi, slaved away in the rice fields of Asia or survived in the desert.

That being said, we must not let ourselves get discouraged by the challenge in our search for national identity. If Canadian men and women are more divided than ever on this issue, is it not ground enough to make this difference our rallying cry?

The joint committee on unity will echo this cry. Following in the footsteps of the Spicer Commission, the public opinion will never have been so sought after and prized, whether through open lines or other means aimed at providing every opportunity for an exchange of ideas and meetings.

Travel broadens the mind, as we say. In the months to come, they will also shape this nation. The committee and its various sub-committees will travel across this country.

Not only will they meet their provincial and territorial counterparts on several occasions, but they will also hold public hearings and listen to the views and suggestions of all the groups and individuals concerned.

All of my colleagues in this House and myself must not take a back seat in this process. In your ridings, in your regions, it will be up to you to encourage your fellow citizens to get involved. You should start an informal dialogue with members of communities that you represent and that have put their confidence in you. They should be able to take every opportunity to stand for the future of this country.

In the months ahead, Canadians will not only be called to play a role in the constitutional renewal, they will also be kept informed of the latest progress on this essential matter, since the government will issue a number of information documents written in a clear and precise language. But it will do much more.

The television coverage of the committee proceedings will allow the public to follow on a regular basis the progress made, either on cable or community television that will show highlights of the most recent hearings of the committee, or by way of short factual reports on the most recent provincial meetings. One thing is sure, the Government of Canada will take the necessary steps to convey efficiently his message of unity.

Madam Speaker, I know that we have had a difficult period. As a Canadian, I was able to note the increasing weaknesses of the present constitutional system. As a member from Quebec I have heard all kinds of comments.

Our childhood was carved in the immensity of the land. The vastness of our land has always fascinated newcomers. Isn't it time to draw some kind of inspiration from our vast and generous country? One thing is sure, we will not build our future by setting up one committee after another. We have to show goodwill.

Yet, because we need the tools to bring about changes, because we need processes, structures, committees, let's get to work, each on our side. Let's talk about it. Let's watch each other acting. Let's work together for a better future.

M. Ronald J. Duhamel (St. Boniface): Madam Speaker, I would like to ask two questions to my hon. colleague. First, I don't know if he had the time to read our amendment, but its purpose is really to enlarge, if you want, the membership in order to make sure that there is as many members as possible representing the different "Canadian realities", the essence of Canada. My second question relates to certain comments that were made by the New Democratic Party: do you believe that the proposition made by the government this morning may nevertheless involve in a very important way a number of groups and, I would hope even those groups mentioned by that party?

Mr. Hudon: Yes, I am familiar with the proposals and amendments put forward by the Liberal Party, and in many regards they are interesting. I think that the government—and I am not speaking on its behalf since I am not a member of the executive committee or the Cabinet—has nothing to gain from arguing about the number of members. I am drawing a parallel with his second question on the constituent assembly. As long as— Yes, we might not want to argue about numbers, but there is a limit. When I look at the proposal from the New Democratic Party, where it is assumed that a single constituent assembly might reflect the future of Canadians, I think there is a limit. The New Democratic Party did not give any clear indication as to the making of this assembly. Also, with such an assembly, you know where you start, but not where you stop. Their problem is that they travelled across the country, listening to just about everybody who had anything to say, because they told them that they should be heard. If you say to everybody "you should be heard, you should have a seat in a constituent assembly" you are making empty promises. So who would be there? I would like— However they did not submit any list of people who should be on such a constituent assembly lest they forget someone. There is also the fear of continuous amendments, because with a constituent assembly nobody knows when to stop.

Mr. Phillip Edmonston (Chambly): Madam Speaker, I listened to the hon. member explain why he was against the concept of a constituent assembly. I am not sure I understand, because in Quebec, we had our own constituent assembly. We had our constituent committee. It was called Bélanger-Campeau. And when I hear the Liberals and the Tories say that they agree on something, I must say I have my doubts. There is something conspiratorial about this, because they both use the same arguments. Well, I want to deal with these arguments once and for all. How can you represent everyone in a constituent assembly? You can't. You can't represent everyone.

The Leader of the NDP said no system is perfect. We do not expect perfection, otherwise most of us wouldn't be here. But we are looking for democracy. We want non-political people to be involved as well, and not as participants on the panel, as suggested by the government and apparently endorsed by the Liberals, a panel on which people would be consulted.

In concluding, Madam Speaker, I have often been consulted as a consumer advocate, and I think consultation doesn't mean a thing if you don't have the right to vote and the right to act on a committee like Bélanger–Campeau.

• (1240)

Mr. Jean-Guy Hudon (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): There is something contradictory in what he just said, Madam Speaker. Does that mean members of a constituent assembly will have the right to vote? I don't think I ever heard that mentioned.

What I would like to say is that the members of Bélanger–Campeau are mostly members of the Legislature. This was not a constituent assembly, it was a committee formed by the Legislative Assembly, consisting mostly of members of that Assembly.

Furthermore, as a member from Quebec, you know perfectly well that you can ask your leader to table proposals. You know perfectly well—and you in the NDP have abandoned Quebec —you know perfectly well that Quebec has rejected the concept of a constituent assembly. This is another example of the NDP's totally ignoring 20 to 25 per cent of the Canadian population, in a process that should include as many people as possible.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the hon. member—and I listened carefully—referred to the amendment moved by the hon. member for Papineau—Saint-Michel, and more specifically to the first part that requests an increase in the number of members. I think his response was that the government was flexible, and I assume this was a positive response on behalf of the government. In other words, the proposal was received with interest.

The second part of the amendment asks that funds be made available to the other parties in this House, in proportion to the number of members on the committee. I think this was done with other committees in the past, and I think it is a worthwhile proposal. Perhaps the hon. member would care to comment.

Third, the change in date. It has always been our position that Canada urgently needed to resolve this issue, and we suggest changing the date on the motion from February 28 to December 31, 1991, in other words, we are moving the date up. We want to compress the committee's proceedings and cut about two months off the time. Could the hon. member discuss his position on the amendment in question, with respect to funding and the time factor?

Mr. Hudon: Madam Speaker, I am glad the hon. member for Ottawa—Vanier made it clear that the amendment was favourably received by me. It is not up to me to decide, but I think the three proposals are quite interesting.

First of all, regarding the number of members, I think we should be generous with our resources. Of course, cabinet will have to consider the matter and report back to the House tomorrow. The matter of funding is very important. I think that the matter of funds that could be made available to the committee for research services is in fact even more important than the other element of the Liberal proposal.

Although, having December as a starting date may—The study may take a little more time. There is certainly room for using the talents of Canadians as a resource for the people who will be on this committee.

As for the date, I agree the matter is urgent. This committee's work should have already begun. I call people and I ask them, since they have a lot more experience than I do in this area, to be realistic about dates. If you honestly think we can get something done by December—in fact with what we found out through the Spicer Commission and Beaudoin–Edwards on the amending formula, a lot of preparatory work has already been done. We have to collate all this. So I think it is a possibility.

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I would like to make a very short preamble.

[*English*]

In the spirit of co-operation it has already been indicated that my party wants to participate. It wants to contribute to the building of a new Canada, a stronger Constitution for all Canadians.

I would hope that in the same spirit the government will consider our amendments, the three points that have just been made, that is the possible enlargement of the committee, more members to ensure greater representation, the funding question, as well as the date that has been proposed for completion of the report.

I would like the New Democratic Party to make some constructive criticisms as well. The leader has said that there are no perfect solutions, no perfect approaches. I would hope that she would in fact admit that this one proposed by the government is neither more perfect nor less perfect necessarily than her own.

Hopefully, for the sake of Canada and all Canadians, there will be some constructive points made so that we can get on with the job. Canada and Canadians need us now. They need us to come to grips with this problem, so let us not cop out when there is a tough job to do. Let us not give it to others.

Canadians are calling upon us as parliamentarians, so let us get on with the job. Let us not give it to others when we think there might be significant heat in the kitchen and when we know it is not going to be an easy mandate. At the same time, let us not exclude others who want to be heard and who need to be heard.

I want to address four points.

[*Translation*]

First, the objective, that is the intentions or the *raison d'être* of the committee. Secondly, I will talk about its make-up, thirdly, the process and, finally, the fourth major aspect, namely the substance or the content of what will be proposed.

[*English*]

Let us remember as we undertake this monumental, historical task that the Constitution belongs to all Canadians: to you, to me, to all of us. We must keep that as a prime objective. Let us remember as well that we are now trying to correct what is not working and to respond to our many current problems. Let us remember that we want to make lasting changes to create a Canada that is united, with greater economic, social and political stability.

Let us remember that we should address what Canada is all about. What is this great country all about? How will it work? We must indeed have increased fairness, a more just society, and a more competitive society in the true spirit of the time so that we can in fact be much more sensitive to the needs of all Canadians. Let us make sure in the final analysis that we have a better Constitution for all regions, all provinces and, indeed, all Canadians wherever they happen to come from.

Those are the purposes that I see at the present time. Let us remember that as we undertake the composition of this committee we need to be sensitive to provinces, to the various regions of Canada, and I would include most definitely the territories. We need to be sensitive to the peoples of Canada: aboriginal Canadians, those of French origin, those who are of English speaking origin and those of origins other than aboriginal, French or English.

Let us remember as well as we make up the composition that we need to have gender parity. We need to represent men and women as equally as possible.

Let us remember as well—this is a fundamental point—that we are attempting to correct, to change and to build a Constitution for Canadians and for those who were here before us. We must reflect upon the past but at the same time, we must not forget that we are creating a Constitution and a country for the youth of our nation.

We often forget the youth of the nation when we undertake projects such as this one.

[*Translation*]

Madam Speaker, let us not forget our vision of Canada in terms of social, cultural, economic, and other policies. The prejudices that I have and the ones that those who were here before me are not the same as those of today's youth.

Canada is not the same today as it was before. It must compete at the international level and when we deal with this fundamental issue, we have to make sure that we take into account our youth, those young men and women, your children, my children, your grandchildren. We want to build a country that will fulfill their needs, that will make their lives better and that will bring greater justice at every level.

[*English*]

When we attempt to rebuild a country, let us not forget that it is for all Canadians, but especially let us not forget that it is for the young people. It is so easy to build something for yourself and forget the others.

• (1250)

I want to speak briefly about the process. We have already said that this must be a round for all Canadians. We want to make sure that we can reach out to each and every Canadian who has something to say about the Constitution, the fundamental law of the land. Let us

ensure that it is an open process, that there are no hidden agendas, that there are no seamless webs. Let us ensure that we listen intently, sincerely and profoundly to what Canadians have to say. Let us make a commitment today to involve all Canadians who want to speak about the fundamental law of our land.

I have spoken about our aboriginal peoples. I have spoken about Canadians from French, English and other origins. Let us not forget the poor. They do not always have the voice that they need. Let us not forget our Canadians with disabilities who cannot always speak as loudly, as often and as forcefully as they would like. Let us not forget organized, non-organized labour and business people.

Canadians, generally, must be given the opportunity to be heard and we must make a commitment to listen to them no matter what region of this country or province they come from and no matter what their background happens to be.

Let us respond as well, once we have listened and listened carefully to all Canadians, in an open kind of way. Let us really attempt to hear and to bring forth solutions that will in fact correct and solve a lot of those problems.

I was a member of the Beaudoin-Edwards constitutional committee whose report should be coming soon. As I travelled across Canada and talked to my constituents, they told me that they want a solution to the constitutional crisis and they want it now. They want national unity because they believe that national unity brings economic stability. It will bring social progress and political stability as well. They are tired of this continual haranguing about where we are going, who is in, who is out and under what circumstances.

Let us come to grips with it, perhaps not for all times but for a significant period of time.

I want to address the question of substance. There is a number of principles that I think we must abide by and I shall share a few that my party has developed. In fact they come from a statement of the leader of the party.

[*Translation*]

There they are. I believe that we really need a statement on the nature of Canada and I would like this statement to include a number of issues that I have alluded to, namely that we recognize the regions, the provinces, and the people of different origins. I would also like us to show a profound attachment to the Canadian Charter of Rights and Freedoms. If we want to be a first class country, it is fundamental to attach the greatest importance to this Charter.

I would also like to see a strengthening of the Canadian economic union. I find it hard to understand why we talk about free trade with other countries when there are still, in our own country, all kinds of barriers that keep us from working together in a much easier and simpler way.

I would like to see, like everybody else I believe, an institutional reform, so that our great institutions, whether it is the Supreme Court, the Senate, the House of Commons and many other ones, meet the needs of Canadians. The distribution of powers is also another issue that must be dealt with. I tried to bring this issue up when I was sitting on the Beaudoin-Edwards Commission. We discussed it a bit, but it was not an integral part of our mandate. It was thus put aside, and I think it is unfortunate. However, this time, we cannot put it aside.

Spending power is a matter of the great importance, not only to Quebec but to any province or region in Canada. It is a matter this committe will have to settle.

The immigration issue is a very sensitive one. Certain agreements were signed that Canadians are not quite familiar with. Moreover, I am not convinced, and this is not meant as a nasty remark, that we know just where we are going on this issue of immigration. Nevertheless, we must tackle it and try and find a solution. The Supreme Court of Canada is most important. Are changes needed here? The native peoples were also mentioned over and over, and I am so proud that we, as parliamentarians, as well as the Canadian people have given further recognition to the importance of and the key role played by natives, the native peoples of Canada.

Finally, it seems likely that we will be able to meet in a very concrete and significant way to their needs, or so I hope. In my view, the amending formula should be flexible, responsible and responsive to the needs of a

modern nation, a nation changing very rapidly to compete with the rest of the world.

If need be, there should be a national referendum to settle this business, maybe not once and for all, but for a long time I hope.

[*English*]

At the end of this process I think that Canadians need to be able to say something like the following: Canadians need to say at the end of the process of this new commission that it was indeed a Canada Round, that we were concerned about Quebec, the north, the Atlantic provinces, the western provinces, and of course Ontario as well. It must be a Canada Round, and at the end of the process people must say: "Yes, it was indeed a Canada Round". Canadians must be able to say that parliamentarians reached out to Canadians, that they really went out of their way to find them, to listen to them and to respond to them.

Canadians have to be able to say as well at the end of this whole exercise that the process was indeed open, that partisanship virtually did not exist, that the most important goal was Canada and the future of Canadians, and that that is reflected in all the travels, the debates and the discussions.

They must be able to say that parliamentarians listened with open minds. They must be able to say that they as Canadians have had fair representation, that our aboriginal peoples were represented, that there were representatives from the French language communities, from the English language communities and from the ethnocultural and multicultural communities as well. They must be able to say that there was a good balance of gender, and that we were sensitive to the whole question of youth, the poor, the handicapped and other Canadians who feel that they must be heard, that they must be reflected in this fundamental law of the land.

Canadians at the end of the process must be able to say that there was a significant, substantive, sensible, sensitive response to that which was communicated and shared with the members of the committee. They must be able to say: "We do have a good solution; no solution is perfect, but this is a good solution".

I think that Canadians need to be able to say at the end of the process that the important nations of the world which are watching us today and will continue to do so with respect to our constitutional and other crises will acknowledge our success, that they will say: "We now see a Canada that is stronger, that is more united, that has a better sense of direction, not only on constitutional matters, but on other matters as well". If we are able to do that, I am certain that we will have a better country.

With respect to the amendments I just want to say a few words. I mentioned them briefly at the beginning.

[*Translation*]

I pointed out that we got involved in this as a party in a spirit of co-operation. I hope that the government will consider the amendments we proposed with the same open-mindedness to see if there would not be a way to accomodate what we proposed. We believe, as I said earlier, that this would help us, as parliamentarians, to meet the needs of the Canadian people regarding their Constitution.

Madam Deputy Speaker: The hon. member will have a couple of minutes to conclude his comments when we resume debate on this motion.

For the time being, as it is one o'clock p.m., I will now leave the chair until two o'clock p.m.

The House took recess at 1 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*Translation*]

TAXATION

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, several times during the past month, a number of my constituents suggested that all taxpayers should be treated the same by governments, whether they are married, single or living common law, and whether a family's income is earned by one or several people, all other things being equal.

Mr. Speaker, I would like to draw the attention of the House to the exceptional work being done by the Conservative member for Calgary North, Al Johnson, who with the Conservative committee on family tax measures is trying to find solutions to these problems.

S. O. 31

[*English*]

OCCUPATIONAL HEALTH AND SAFETY WEEK

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, this week is Occupational Health and Safety Week in Canada, a time when we should express our gratitude to those thousands of working Canadians, both volunteer and full-time who work hard every day to make Canada's work places safe and healthy.

We must also, as parliamentarians, rededicate ourselves to ending the all too familiar litany of death, injury and industrial disease which continues to victimize Canadian workers and their families at the alarming rate of one death in every three working hours.

I am sure we are all sincere in our expressed aims, but two questions come to mind. First, why did both the Ministry of Labour and the Liberal Party fail to respond to an invitation from the Canadian Centre for Occupational Health and Safety to join deliberations in Sudbury last week to rescue the financial viability and independence of the centre?

Second, why has the government still not proclaimed the health and safety parts of the Parliamentary Employment and Staff Relations Act passed five years ago, which would accord Parliament Hill workers the same health and safety protection as other Canadians?

Let us put our actions and dollars where our mouths are.

* * *

[*Translation*]

USE OF TOBACCO

Mr. Clément Couture (Saint-Jean): Mr. Speaker, I was glad to hear that the Minister of National Health and Welfare tabled the government's response today to the campaign against tax rates launched by tobacco companies. Although taxes are never popular, I know Canadians agree we should use all reasonable means to discourage our young people from smoking, a habit that often becomes addictive. In response to the efforts of tobacco companies that focus on taxes, while the real problem is public health, our government has used taxes as part of its national strategy for reducing the use of tobacco. Canada ranks first in the world on cutting the smoking habit, and the minister made it clear that despite the objections of tobacco companies, he intends to maintain the government's current policy. The minister also stressed the need to promote the government's program, to make Canadians aware of the dangers of smoking.

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[*English*]

SMALL BUSINESSES

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, due to this government's policies, small businesses are failing in record numbers. The recession which this government's policies helped induce has placed many small businesses in a very tenuous position.

The GST which came into effect last January has had a significant negative impact on small businesses across the country.

On July 1, this government's payroll tax increase of 24 per cent in unemployment insurance payments will come into effect.

Last week the proposed bankruptcy legislation was introduced and small business persons across this country were shocked to find out that this government will be hitting them again with another payroll tax to finance a wage insurance fund. This will mean added costs and more paper work for the already over-burdened small business sector.

At a time when jobs and economic growth are badly needed, this government seems determined to implement policies which will discourage small business from hiring more employees, discourage small businesses from expanding and propel many small businesses right out of business altogether.

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THE PIG

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, after centuries of disrespect the common pig is now gaining new stature. Even as I speak, futuristic pigs are producing human haemoglobin in their blood.

In the best studied pig at the New Jersey Research Station, 10 to 20 per cent of haemoglobin is human. The amazing pig will soon be saving human lives. These unselfish animals are potentially virus free blood donors

and after receiving their 100th donation certificate, they can still wind up on your barbecue.

The next time you pass a pig or a pig farmer on your way to work, do not look at them with disdain. Take them to the football game or buy them a beer.

The pig now commands a new respect. The life he saves could be your own.

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HARBOURS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, on Friday, June 14, two fishermen in my riding came close to losing their lives due to a serious silting problem at the mouth of Dingwall Harbour. The cost of this dredging has been estimated at $350,000 and although this is not a long-term solution, this government has not seen its way clear to providing even this amount of money.

Silting is a major problem in the harbours in my constituency. Bay St. Lawrence, Sugar Loaf and Ingonish are other places where silting has caused difficulties for individuals employed in the fishing industry.

Except for the fact that these two fishermen had a very powerful engine in their boat, they could easily have capsized and drowned.

A request for funding is now sitting in the Minister of Fisheries' office and I hope the minister will examine this request and approve it immediately. He comes from an area where fishing is the mainstay of small communities and must realize the daily dangers that fishermen face.

What is more important to this government, the lives of fishermen or $350,000? I urge the minister to act immediately on this very important matter.

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SENATOR STAN WATERS

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, we note with regret that Senator Stan Waters is suffering from fatigue. According to his own admission, his fatigue is a result of his trying to promote the Reform Party, no doubt an exhausting undertaking.

He is also reported as saying that this task requires about 80 per cent of his time with only 20 per cent left over for senatorial duties.

The question Canadians are asking is will Preston Manning's conscience require Senator Waters to return 80 per cent of his wages to the federal bank account, or does the leader of the Reform Party condone the spending of public funds to support his populist movement?

* * *

CANADA POST

Mr. Rod Murphy (Churchill): Mr. Speaker, Canada Post announced that it will be closing the post office in Brandon, Manitoba next month. This post office services over 38,000 people. The decision sent a clear warning to all Canadians. No post office is safe.

I and thousands of Canadians are angry that Canada Post took this step and in doing so, gave the residents of Brandon only six weeks notice before this arbitrary decision would become fact. Many other communities, including Guelph and Charlottetown, are receiving drastically reduced postal services at the post office. Many rural communities are losing all postal outlets.

Canadians deserve first class postal service. Instead they are forced to find insurance outlets or pharmacies which are often not equipped to provide efficient and secure services.

Canada Post spent nearly $200,000 on a luxury box at SkyDome to entertain its corporate friends. This kind of expense is obscene when average Canadians are being denied basic services.

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GOODS AND SERVICES TAX

Mr. George S. Rideout (Moncton): Mr. Speaker, the government has admitted that it has collected a windfall in profits from the Goods and Services Tax, a windfall collected at the expense of co-operatives across Canada.

The GST applies to share capital investments made to a co-operative.

Their competitor food companies do not pay GST on any risk capital invested in their companies.

For example, this unequal application of GST costs a retail co-op in Moncton approximately $20,000 a year.

The GST is also applied to the co-operative weekly fees. The co-ops have broken down their sales and determined that 40 per cent are GST taxable and 60 per cent are zero-rated. This unfair GST tax on food costs the same retail co-operative about $40,000 per year. This creates an unlevel playing field for co-operatives.

Months ago co-operative representatives suggested amendments to the legislation similar to that for credit unions. They are still waiting to hear back. These amendments would appear to be easy to accommodate and would help to correct some of the inequities of the GST as it applies to co-operatives.

* * *

GEORGETOWN COMMUNITY HOSPITAL

Mr. Garth Turner (Halton—Peel): Mr. Speaker, if there is a way of measuring a community's compassion, it is perhaps through gauging the way it cares for its sick and elderly. By that standard the community of Georgetown, Ontario, in my riding is truly both compassionate and caring.

For the past 30 years local civic leaders and volunteers have been instrumental in seeing to it that the Georgetown Community Hospital protects and heals the citizens who have come to depend upon it.

I am proud to rise in my place in the House of Commons to both thank and praise these people.

In a few days the hospital will officially mark three decades of operation. During that time the facility has expanded and now includes an excellent centre for the care of the aged.

In Georgetown we are proud of this achievement and while I know this House is often filled with rancour and complaint, I want to remind all members that our communities are enriched by local institutions such as these to which we must all offer our deep thanks.

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WELFARE

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, Ontario is calling for a massive overhaul of the province's general welfare assistance system and the Region of Peel is outraged. Why? With the changes, a self-declaration system is advocated.

• (1410)

People will be able to apply for welfare by mail. Home visits will be abolished unless requested, and the welfare system will be opened to 16 and 17 year olds.

Welfare will become a hand-out rather than a hand up. Costs will skyrocket.

The region cannot bear this extra burden, nor can we.

Our federal government contributes 50 per cent of the funding for this program and has a 50 per cent interest in the well-being of the people in the province of Ontario.

We should be outraged too.

We should have the right to call for negotiations between funding partners.

We should ensure that the welfare system does not break the back of an already strained region.

We should, but will we?

* * *

THE ENVIRONMENT

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I spoke at the environmental gathering which was organized by the Aboriginal Cultural Society in Winnipeg yesterday. This gathering was to enhance the solidarity among aboriginal peoples by examining environmental issues facing our planet and sharing traditional values about Mother Earth.

I commend the organizers and the participants of this important event. David Suzuki participated and, as members know, his ability to reconcile the interests of science with those of humanity has made him one of the most well known and perhaps greatest scientist of our time.

Jeannette Armstrong from the Penticton Reserve stated "the native people of this land developed a lifestyle through a unique world view, based on the health of the whole individual".

There were many people in attendance, including elders. It is our elders and people who still live on the land who reinforce my conviction that native people can protect the planet through a combination of traditional

and spiritual environmental values and new scientific knowledge.

I believe the environment is the foundation of our well-being. This is what the elders have taught us. This is what I call traditional knowledge. I believe that all Canadians want to protect the environment from destruction. In the end, this is the vision which will unite our country.

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THE FAMILY

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I believe that the family unit is central to the quality of life in Canada.

It is the family unit where values are shaped, where faith is nurtured and strengthened and where tolerance, good will and generosity are developed.

Therefore, I become very upset when any government introduces any legislation that directly, or indirectly, erodes or discriminates against the family.

Our current tax system penalizes many married Canadians by charging them billions of dollars more than if they were unmarried, according to yesterday's report by Statistics Canada.

The report said that due to differing deductions and credits, 58 per cent of married-couple families had less disposable income under the tax and transfer payment system in 1989 than if they had formed a family but remained unmarried.

I want to congratulate the Conservative member of Parliament from Calgary North for his leadership in researching and investigating this issue over the last two years. Let us act quickly to correct these unfair tax measures.

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SOFTWOOD LUMBER

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, ever since this government signed the softwood lumber tariff memorandum of understanding with the United States, thousands of jobs have been lost in the forest industry.

Canada's ability to manage our forests has been turned over to the Americans.

Grandfathered into the free trade deal, this tariff is another example of why this government's trade agenda is seriously flawed.

To date, the government has failed to get Canada out of the MOU.

The minister should tell American officials when he meets them later this month that we want this tariff scrapped. The government should act before more jobs are lost.

Since this government traded away our sovereignty, let us get it back.

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SENATOR STAN WATERS

Mr. Stan Wilbee (Delta): Mr. Speaker, like the member for Regina—Wascana, I am very sorry that Senator Waters has had to spend time in the hospital because of fatigue.

I wish him a speedy and complete recovery.

What concerns me is the fact that Senator Waters attributes only 20 per cent of the problem to his senatorial duties, and the rest because he has been so busy working for his party.

For one who has made such a public issue of donating a small part of his salary to charity, perhaps he should show real charity and collect only the 20 per cent of his income that he says he is working for, and apply the balance to reducing the cost of government which he is so fond of criticizing.

It is a good time for the senator to put his rhetoric into action.

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UKRAINIAN IMMIGRATION

Mrs. Edna Anderson (Simcoe Centre): Mr. Speaker, I rise today in celebration of 100 years of Ukrainian immigration to Canada.

Drawn by the promise of a better future for themselves and their families, the first Ukrainian immigrants arrived in Montreal on September 7, 1891. They were followed by nearly 200,000 who were a founding people of Canada's west.

Today, there are over 600,000 citizens of Ukrainian descent living in Canada. We share their deep love and loyalty to Canada and we respect their unique heritage and contribution to our country.

In the words of a former Prime Minister, the Right Hon. Lester B. Pearson, Canadians of Ukrainian descent have added something of value, of strength and of colour to the Canadian character.

As this House will be in recess on the anniversary of this historic beginning, let us thank our Ukrainian neighbours today and together let us work toward many more years of the prosperity they helped to bring to our country.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my first question is directed to the Deputy Prime Minister.

Canada is again facing a major trade dispute: U.S. Customs is investigating Asian manufacturers who produce cars in Canada. We are told that the government intends to charge customs duty retroactively on cars manufactured here in Canada, because they say these cars do not meet the standards of the Auto Pact.

I therefore want to ask the government whether it is true that Asian manufacturers who produce cars in Ontario and Quebec, do not meet the standards of the Auto Pact.

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, as I think the Leader of the Opposition is well aware, this is a report in the media. It is not a report based on something that we have received, nor has the company received it.

There is a leak here that we are not in a position to comment on. If it appears that there is something that does not meet the requirements of the free trade agreement, in the eyes of the Americans, then certainly that is something we will look into.

However, I should point out to my friend that we saw last week, with the very successful result of the pork countervail case, the result of the application of the extraordinary challenge, where Canada was successful in the position that it took; a three to nothing decision. I think that shows very clearly that the dispute settlement mechanism works.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, either these companies respect the auto pact content requirements or they do not. I am very surprised that the government does not know anything about it. It should monitor these things.

If the government does not know about it, why not? If it does know about it, what does it intend to do to ensure that the government trade action is not detrimental to Canadian workers?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, that is a very silly comment by the Leader of the Opposition.

At this point, the matter is the subject of a regular, normal and confidential audit by the United States authorities, comparable to audits that we do in Canada in respect of the rule of origin rules that are the subject of the free trade agreement.

For him to suggest that there is something wrong and that we do not know what is going on inside the Government of the United States is silly. When we find out what the results of this audit are, we will be able to take action if it is appropriate to take action.

I think the hon. member would be well advised to wait for the facts to come out before he starts making these allegations.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am terribly surprised that the minister does not know what is going on. He should know if these manufacturers meet or do not meet the requirements of the auto pact. It is his job, not my job.

Mr. Denis Desrosier, a very respected automobile analyst said: "With the trade negotiations with the Americans and Mexicans coming up, the potential exists to fundamentally blow the auto pact apart." Can the minister assure Canadians and this House that the auto pact is not on the table in the negotiations between Canada, the United States and Mexico?

• (1420)

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the answer is yes, I can assure the hon. member of that, but I also would like to advise him that between Canada and Mexico the largest single element of our trade is in automotive parts and assembled vehicles. There are some serious trade barriers that the Mexicans have that inhibit our trade, particularly trade in automobiles into Mexico, and I would expect that the Leader of the Opposition would be encouraging us to make part of these negotiations to help the export of our cars into the Mexican market.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, my question is also for the Minister for International Trade. The United States trade representative has stated that the United States and Mexico are negotiating separate agreements on immigration, oil mineral rights, and on the environment without Canada's participation.

Did Canada choose to absent itself from those talks or was it excluded? Has Canada in fact secured full and equal participation in trilateral negotiations, or can Canada be excluded from some aspects of the talks if the United States and Mexico decide to do so?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, we are full and equal partners in the trade negotiations. There are some elements that are outside the trade negotiations that are a subject of discussions between the United States and Mexico, as there are between the United States and Canada. We have a bilateral arrangement with Mexico in matters of environment that the Prime Minister signed when he was in Mexico about a year or so ago.

Those discussions are ongoing, but we agreed at our meeting last week that these bilateral discussions could turn into trilateral discussions. There will be full openness among all of us as to what is going on in these discussions, and if it appears appropriate to make certain bilateral discussions into trilateral discussions, that is something we can easily do.

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, let me be a little more specific. The United States trade representative has announced that the United States has now agreed that ownership of all Mexican oil mineral rights is not on the table in the North American free trade negotiations.

Will the minister explain to the Canadian people why the ownership of all oil mineral rights is excluded in the case of Mexico, but not in the case of Canada?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I am sorry, I missed the last part of the question.

Mr. MacLaren: Mr. Speaker, I should be glad to repeat it. I wonder whether the minister would explain how it is that the ownership of all oil mineral rights is excluded in the case of Mexico, but included in the case of Canada.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the ownership of the mineral rights in Canada is a provincial matter. They are the governments responsible for the ownership. In fact they own the mineral rights themselves and it is up to them to decide how they should deal with them.

Our position in the free trade agreement with the United States was that we wanted to use the free trade agreement to ensure that we had access to the United States market to sell the products that come form those mineral rights, oil and natural gas in particular.

That was our choice. That was our decision as the government at that time and I believe it was the right one.

* * *

HEALTH

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I have a question for the Prime Minister. Yesterday I asked the minister of health about the secretive, closed-door federal-provincial conference of ministers of health which will meet in Toronto on Wednesday. I now understand that this meeting has no agenda and will be restricted to ministers only. Clearly any minister can propose changes to our health care system such as provincial autonomy, disentanglement, user fees, or extra billing.

Can the Prime Minister tell this House if the proposals of his government that it will make at this meeting will include the federal government continuing to play a

major role in medicare, including direct cash funding and the maintenance of national standards.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, with respect to the secretiveness of the meeting, it cannot be that secret if my hon. colleague knows all about it.

My colleague, the Minister of Health and National Welfare, will be there at the conference and I am sure he will be pleased to report back to the hon. member when he returns.

Mr. Jim Karpoff (Surrey North): Canadians are clearly worried about their health care system and they certainly do not get assurance from the questions and answers we are receiving from the other side.

Some hon. members: Oh, oh.

Mr. Karpoff: My supplementary is to the Prime Minister. yesterday, the minister of Health said the Canadian health system was admired as the best in the world. Can the Prime Minister tell this House how much longer the Canadian system will remain the best when its own government will cut $62.4 billion from medicare financing by the year 2000. What specific financial guarantees will he take to the provincial ministers of health tomorrow so that Canadians will continue to have the best medicare system?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, I am sure Canadians would be much more reassured if we put the questions ourselves. But of course, that is the privilege of the hon. member of the opposition.

With respect to the conference, as I said, my colleague the minister of health is going to be there tomorrow, and I am sure after the conference he will be in a good position to indicate what transpired at that conference.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, my question is to the minister responding for the minister of health. In a recent letter to the editor of *Saturday Night* the Deputy Minister of Health wrote that: "the government has developed an approach to regulation of prosthetic devices based on risk management, voluntary compliance and international co-operation."

There have been serious questions about the safety of the Meme breast implant. There are persistent rumours that the Meme will be back on the market by fall. Will the minister assure women that the Meme will not return to the market until it is proven safe.

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, as hon. members know, many questions have been asked about that matter of the minister of health in the past. He has given indications of what measures National Health and Welfare have taken with respect to that particular matter, and I am sure the minister will continue to assure my hon. colleague that everything with respect to health and welfare and the protection of the user will be maintained.

* * *

[*Translation*]

TRADE

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is for the Minister for International Trade. Last Friday, the US trade secretary said that her country and Mexico will negotiate, in the context of the free trade talks, a distinct environmental agreement, without Canada's participation. This is a real blow! According to Carla Hills, this is the only agreement contemplated in the context of free trade.

On June 15th, the Minister of the Environment promised, in committee, that our interests would be protected through negotiations at the North American level. Mr. Speaker, the trade arguments justifiying Canada's presence at the negotiating table also apply to the environment issue.

My question is this: what measures does the government intend to take in order to ensure that Canada is not left out of those negotiations, and to ensure that there is a trilateral agreement on the environment?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I guess it is a slap in the face that we do not have a common border with Mexico. That is the purpose for the large number of the discussions that the United States and Mexico are having on a bilateral basis,

because there are considerable environmental problems along the United States-Mexican border.

I did say, in response to his colleague, that we have ourselves a parallel set of discussions going on between Mexico and Canada on environmental matters that are more of interest to the two of us as countries. We did discuss on Wednesday last week at the initial meeting of the North American free trade negotiations that we would be quite open among ourselves as three countries as to what was taking place in the two sets of bilateral discussions. If it were appropriate for us to become involved in their discussions or them to become involved in our discussions, the United States and the Canada-Mexico discussions, then that can be done.

• (1430)

Mr. Paul Martin (LaSalle—Émard): Appropriate. If this government does not begin to understand the absolute integration of the environment with trade, we are going to get skinned in every trade negotiation that lies ahead of us.

On April 8 Canadian environmental groups which understand the issue wrote the Prime Minister requesting a meeting to help develop the Canadian position for the Mexican negotiations. They were not even given the courtesy of a reply or an acknowledgement. The failure to include environmental NGOs has already compromised the Canadian agenda and has put us far behind the preparations of the United States in these negotiations.

My question is: will the minister agree to meet with the concerned organizations this week? Furthermore, will the minister undertake to this House to set up a formal consultation structure by the end of the month lest we fall further behind the environmental eight ball?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Let me be quite clear, Mr. Speaker, there are environmental matters that are clearly in the realm of trade negotiations, and those are going to be part of the NAFTA negotiations. There are other environmental matters that do not have any trade significance but are the subject of two sets of bilateral parallel discussions, one between the United States and Mexico and the other between Canada and Mexico.

As far as the letter that my hon. friend refers to, I would be happy to look into that matter and I will get back to him.

Mrs. Sheila Finestone (Mount Royal): In the Canada-U.S.-Mexico trade talks Canadian industries, like our banks, want access to American markets, but the Americans want something in return. The Americans have made it clear for a long, long time that Canadian culture is up for grabs as far as they are concerned. So my question is to the Minister of International Trade.

Isn't he horse-trading Canadian culture for his Bay Street friends? If he isn't, why did the minister only tell Carla Hills that culture is—and I quote—"a sensitive issue"? Why is he not telling her at the trade table that culture is not a bargaining chip and that it is just not on the table? Why is he not saying that?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I have told that to Mrs. Hills; I have told it to Mr. Serra, I have told it to Mr. Katz and I have told it to Mr. Blanco, and I am quite happy to tell it for the seventeenth time to my friend from Mount Royal.

If she is concerned about this matter of trade and what is on the table or off the table, one of the things that she might consider is the fact that Mrs. Hills has said that some things are not on the table for the United States as well.

So that is part of the negotiations that we are going to be having, but my hon. friend can be quite sure that the position I have taken, both publicly and also in discussions with Mrs. Hills, makes it very, very clear that our position on the cultural industries in this country is not a subject for negotiation.

Mrs. Sheila Finestone (Mount Royal): We in this House know what the minister has been saying. But the news media seems to indicate that Carla Hills doesn't know what the minister has been saying.

The Mexicans were able to get their oil minerals off the table; the Americans have been able to get their immigration off the table; why have this minister and this government not been able to get the cultural industries off the table? That is my question.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, first of all, immigration is not a trade matter. It is never the subject of trade negotiations.

The reason why the Mexicans have been able to get the ownership of energy resources off the table is that right now in their constitution they are constitutionally not able to comply with what the Americans or we might want to have. If she would only close her mouth and open her ears, she might hear something of what I am saying. I will say it for the eighteenth time:

The negotiations will not include any negotiation of trade in the products of our cultural industry.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, my question is also addressed to the Minister for International Trade.

United States Customs have attacked Honda and probably other Asian transplants in Canada for failing to meet North American content requirements. They have also accused Honda of dumping in the U.S. market.

My question to the minister is: will the government release the results of its own Revenue Canada audit and let us know how those results do or do not confirm the American findings? In any case, will the government indicate what action it intends to take to protect Canadian jobs which, after all, are North American jobs too.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the Americans audit our exports and we audit their exports. Unless there is something that is contrary to trade rules, then the results of those audits are confidential.

The particular audit my friend is referring to at this point is still in the process of being carried out by the United States authorities. For him to start drawing conclusions on the basis of an audit that is not complete and ask for us to get the results of an incomplete audit out into the public domain I think is inappropriate and probably irresponsible.

Mr. Howard McCurdy (Windsor—St. Clair): The Americans are already talking about actions to be taken on the basis of this secret audit.

One administration official says that if Canadian companies are having trouble now, just wait. Denis Desrosier, who is a well-known auto expert, says that the controversy could blow the auto pact apart.

Now we are engaged in trilateral free trade agreements. My question to the government is: what will this government do to prevent the gutting of the auto pact that this government already started in the bilateral trade negotiations as it enters into the trilateral negotiations with Mexico. How are we going to save Canadian jobs? How are we going to save the Canadian automobile industry?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think the hon. member is quite premature in the comments he is making. We have demonstrated in the two and a half years since the free trade agreement has been in force a very strong capacity to protect the Canadian industry against the attacks from the other side where they have proven to be inappropriate. The most recent of those came last week when we had a very strong win, which I have yet to hear my colleague opposite talk about at all, where we demonstrated very clearly the position we took against the position taken by the Americans. It was supported by the panel three to nothing. This is the type of result we can expect from the free trade agreement, from the dispute settlement mechanism, which my friend's comments from the other side, right from the start—

* * *

EMPLOYMENT

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my question is to the Minister of Employment.

Since January 1989, Canada has lost over 280,000 manufacturing jobs, the bulk, and I stress, the bulk of which were as a result of the Canada-U.S. Free Trade Agreement. In fact, 180,000 of those jobs have been lost forever.

My question, based on this harsh reality, is simply this. Since the U.S. Congress has already made a commitment to implement labour force adjustment programs prior to any agreement with Canada and Mexico, will the minister give the House an undertaking today that Canada will

follow suit to protect the displaced workers under the upcoming free trade negotiations?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I do not think the member understands the differences that exist between adjustment programs for American workers and Canadian workers. Just maybe what has happened in the United States is that they have looked at Canadian adjustment programs and thought this was quite suitable also for workers in the United States.

• (1440)

We have in this country 400 adjustment programs. How many more are needed?

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, my supplementary is to the same minister.

If the government does in fact have a national retraining strategy and programs as he states, can the minister give us specific program details for the 10,800 displaced workers in the auto industry and, indeed, the 9,200 displaced workers in the steel industry.

Also, how will these displaced workers be retrained? What sectors can they be found in?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I hope you will allow me the next 20 minutes to go through the list of all the programs that are available.

Under the Canadian Jobs Strategy, these workers and all workers across Canada can benefit from the skill shortages program which helps train Canadians in skills that are in short supply and provides mobility assistance.

Employers needing workers with skills in short supply take advantage of this program. For the last fiscal year this was $265 million. Another one is the skill investment program which is another program which—

Some hon. members: Oh, oh.

Mr. Valcourt: Mr. Speaker, this is the list that the hon. member requested. Come see me after Question Period, and I will give you a copy of the list of great things we are doing for Canadian workers.

SOUTH AFRICA

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, I have a question for the Prime Minister.

I would like to begin by commending the statement that was made yesterday by the Secretary of State for External Affairs who, while welcoming the change in apartheid legislation in South Africa, went on to say that the government would continue to urge changes dealing with prisoners and political exiles. I think that is an important statement on behalf of Canadians.

At the same time, the minister said that the government is now considering a change in its policy in relation to sanctions.

Considering the continuing violence in South Africa, considering the fact that political prisoners have not been released and that there are stalled negotiations, why is the government now considering changes in its sanctions program? Is it planning to bring those changes forward at the Commonwealth meeting of foreign ministers being held in July?

What is the government's real position on sanctions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the government's real position is the position that was articulated in this House some six years ago.

We have consistently followed that and defended that position throughout the Commonwealth, the United Nations and elsewhere, including the G-7 summits. The position is that sanctions are indispensable in bringing about the removal of the pillars of apartheid. We think that has turned out to be quite accurate.

In response to the calls from the new Secretary General of the Commonwealth and others, Canada is part and parcel of a re-examination of the thrust of the Commonwealth principles in respect of apartheid to see if changes at this point might be appropriate and helpful, given the significant nature of changes brought about by President de Klerk.

That decision has not been taken yet because the key word in Canada's position has always been that these changes must be irreversible with regard to the elimination of apartheid.

The Commonwealth foreign ministers will meet in June and the leaders of the Commonwealth will meet in Harare in October. At that point in time, Canada's position will be set forward with clarity, as it has been in the past.

Hon. Lloyd Axworthy (Winnipeg South Centre): Mr. Speaker, it may have been set forth with clarity in the past. I am not sure the Prime Minister's answer today has much clarity to it.

Specifically, when Canada attends the foreign ministers' meeting, considering the number of calls that are now being made for changes on sanctions programs, on lifting restrictions on travel, visas and party participation, is the Government of Canada now considering making changes in the programs?

Is it responding to those calls for change or, taking into account the continuing serious problems of real discrimination in South Africa, will we hold to the sanctions program that has been announced by various and successive governments?

Right Hon. Brian Mulroney (Prime Minister): What various and successive governments? Mr. Speaker, it was only this government that brought about that program in the first place.

Some hon. members: Hear, hear.

Right Hon. Brian Mulroney (Prime Minister): I think my hon. friend ought to refresh his memory. With regard to the changes that are made, the changes, if indeed they come, will be made in co-operation with our Commonwealth allies. My hon. friend says: "What is our position?" Our position is the position that the Commonwealth adopted in Nassau in October 1985 and then supplemented by a series of initiatives under the chairmanship of the then Secretary of State for External Affairs, as congratulated by Nelson Mandela when he congratulated Canada and this government when he stood on the floor of the House of Commons.

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STEEL INDUSTRY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, my question is to the Minister of Finance. I think that everyone knows that the Canadian steel industry is at risk in this country and at this present time Algoma Steel in particular. Successful restructuring of this company will require creative initiatives such as an employee buy-out.

On May 27 the Minister of Industry, Science and Technology endorsed such an initiative. I wonder if the Minister of Finance shares his colleague's opinion and will also endorse such an initiative.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there have indeed been meetings with the union workers as well as with the Government of Ontario, and there have been a number of telephone calls with respect to this issue.

It is our hope that the existing mechanisms will be sufficiently flexible to allow a program, such as the hon. member refers to, to proceed. However, I have to tell him that there is a fair amount of work that still has to be done and we hope that ultimately the objective that the hon. member and the workers have in mind can be utilized. We will use our best efforts in using the existing mechanisms to achieve that purpose.

Mr. Steve Butland (Sault Ste. Marie): I do appreciate the minister's comments and I think he is also looking favourably upon such an initiative, but it is obvious that what is existing will not be sufficient. To facilitate such an initiative, obviously changes in federal tax policy will be necessary to complement hopefully pending provincial policy.

Will the minister indicate what specific initiatives he would consider and when because time is of the essence?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, our position is that we remain hopeful that existing mechanisms can be utilized satisfactorily.

The hon. member shakes his head in the negative. I am not sure whether he has attended the meetings, but there have been meetings, there have been telephone conversations and there will be more, and we will attempt to co-operate and work in a co-operative fashion to see what we can do to facilitate the kind of objective that the hon. member has in mind.

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TAXATION

Mr. Al Johnson (Calgary North): Mr. Speaker, my question is for the Minister of Finance. Yesterday in *Social Trends*, a publication of Statistics Canada, we learned that almost 60 per cent of married families paid

more tax than they would have paid if they were not married, a total of some $5.6 billion.

In the throne speech, our government promised to review all federal policies that relate to the family.

I would ask the minister if reviewing family taxation is one of his priorities and if he would commit to the House that he and his staff will thoroughly investigate this issue over the summer and that he will bring forward proposals in the fall that will establish fairness as the keystone of our tax policy for families.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am very much aware of the hon. member's concern and the concern of other members of caucus who have addressed this issue. Obviously, Canada's tax system must address the different family situations and we endeavour to do just that.

I appreciate the very constructive role that the hon. member has provided in bringing forth suggestions to me, and obviously these will be looked at in the interests of establishing a tax system that will be fair, that will be equitable and particularly fair and equitable as it relates to families in Canada.

Hon. Herb Gray (Windsor West): Mr. Speaker, while it was yesterday that Statistics Canada reported that most married couple families pay more in income tax than unmarried couples, the tax situation since this government came into office is not something that just sprang out yesterday. Especially hurt are married couples with family incomes between $10,000 and $20,000. On the average, their disposable income each year is reduced by some $2,500.

• (1450)

Why will the Minister of Finance not make a commitment today to change the tax policies that discriminate against married couples, especially lower income ones? Why will he not make that commitment today to create a fairer tax system for all Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the huge burden of debt that we are asked to carry was not created by this government and it did not happen yesterday either. That is the harsh reality that we have to live with.

As I indicated to my hon. colleague, there are some very constructive proposals that are being considered. If the hon. member has any, I would be pleased to receive them because we will look at them all in the name and all in the interest of achieving a more fair and equitable tax system as it relates to families in Canada.

Hon. Herb Gray (Windsor West): Mr. Speaker, if the Minister of Finance is so concerned about that huge burden of debt of which he spoke, why will he not admit that burden was created since his government came into office? It doubled since 1984. This is no excuse for 69 per cent of married couples with children and 75 per cent of elderly married couples to pay more in income tax than similar unmarried ones.

[*Translation*]

Therefore, my question to the Minister of Finance is: Why does he stick with fiscal policies that create this discrimination against married couples with children, and against older married couples? Why does he persist in maintaining this lack of fiscal fairness?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure that Canadians would want to know that 90 per cent of the accumulation in the national debt over the last six years was the interest and the compound interest on the debt that was inherited by this government in 1984.

The Liberals in 1981 and 1982, in their attempt to get out of the recession, tripled the deficit in that period of time, between 1981 and 1984. Obviously it makes it more difficult for us in terms of restricting our flexibility to deal with a number of the issues that the hon. member raises today.

As I indicated, there are some very constructive proposals that are emanating from this side of the House. We are looking at them seriously and I will certainly welcome any proposals from the hon. member as well.

PARENTAL LEAVE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, my question is to the Minister of Employment and Immigration.

Ralph and Irena Lawrenson of Markham adopted a young Romanian girl, Deirdre. Under current UIC rules, maternity benefits of 15 weeks are only available to natural parents.

In getting to my question, I want to say I believe this discrimination is unfair. As an adoptive parent myself, I know that most adoptive parents go through a unique, emotional and psychological period during the application and negotiation process.

I therefore ask the minister: will he reconsider the current discriminatory practices?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, I have a lot of sympathy for the hon. member on the question he raises.

I would like to tell my colleague and all members in the House that the Unemployment Insurance Act is not discriminatory between adoptive parents and natural parents. Both, under the act, are entitled to parental leave of up to 10 weeks.

In the case of a biological mother—and this is for the reasons outlined by the Federal Court of Canada in the decision on the issue—she is entitled to 15 weeks benefit for recuperative reasons which are not applicable in the case of an adoptive mother or an adoptive father. So there is no discrimination.

This is important. For children with special needs, the act further provides for five additional weeks for which a parent, adoptive or natural, can apply.

This is the situation and there is no discrimination.

* * *

[*Translation*]

THE CONSTITUTION

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, my question is for the Prime Minister.

The government has decided to appoint a Special Joint Committee of the Senate and the House to examine the political reality of this country. This committee will seek the opinions of Canadians and Quebecers in the months to come.

It so happens that the government has decided not to have any representative of the Bloc québécois on that committee. Yet, the Bloc québécois is the only group in this House that represents an unavoidable movement in Quebec, the sovereignty movement.

My question is this: does the government not find it unrealistic to not want to see the reality just before embarking on such an exercise?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, we intend to follow the well established Standing Orders of the House of Commons.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I understand that after the disaster of the Spicer tavern and the failure of the mock Beaudoin-Edwards Commission, we are now going to set up the committee of ostriches!

I have another question for the Minister, since he is the one who answers. Does the Minister intend to imitate Mr. Robert Bourassa, the Prime Minister's friend, who has examined through his parliamentary committee in Quebec City, the two options, namely sovereignty and federalism? Does the government anticipate to broaden the mandate of the committee so that it will also study the behaviour of Canada once Quebec becomes a sovereign state?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): No, Mr. Speaker.

* * *

[*English*]

FARM DEBT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and the Minister of State for Agriculture. Last week the minister introduced amendments to the Bankruptcy Act to assist businesses facing insolvency to renegotiate their debts. The minister knows that farm debt rose to $23 billion this past year. A recent study by

the agriculture committee reports that some 48,000 farmers are facing insolvency and the loss of their land.

Can the minister tell the House if there are any special provisions in this legislation to assist farmers who are facing a very heavy load of debt?

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I should say first of all that the hon. member should remember that in 1986–87 we put in place the Farm Debt Review Board which was very successful with farmers across the country.

This legislation allowed a lot of farmers to sit down with their creditors to look at their business and stay in business. The new legislation on bankruptcy tabled last week will help farmers who, along with all Canadians, will have access to new tools. I will be more than happy to see my hon. friend as well as all my hon. friends in the two opposition parties support this government initiative because it will be very good for Canadians.

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary is for the minister. The minister knows that under the U.S. bankruptcy law, chapter 12, it assists farmers specifically in resolving and renegotiating farm debt. In fact during the past several years U.S. farm debt has gone down by 40 per cent, whereas Canadian farm debt has continued to rise to above $23 billion.

Why does the government not provide the same assistance to our farmers to renegotiate their debt and stay in business as has been provided to the United States farmers?

[*Translation*]

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, it must be understood that when the government intervenes with an amendment to the Bankruptcy Act, it must make sure that a balance is maintained between all the different stakeholders in that sector, particularly the people who loan the money.

I can reassure you and my honourable colleague, since I was in Regina yesterday and I got to meet the representatives of that sector. Yes, I was also in Vancouver yesterday. Mr. Speaker, I can assure you that the people involved were very positive about these amendments to the legislation and I am convinced that with the cooperation of the other members of the House we will be able to implement this. That initiative will help the farmers as well as all Canadians.

* * *

• (1500)

[*English*]

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is to the Minister of the Environment. I am sure the Minister of the Environment is aware that recently declassified U.S. military documents confirm that a radioactive cloud 325 times as deadly as Three Mile Island was released from the Hanford atomic bomb production facilities in an intentional experiment known as Green Run on the evening of December 2, 1949.

Will the minister release funds from the green plan to study the long-term effects of this atomic radiation experiment on residents of British Columbia and Alberta because that has already been denied despite requests by the B.C. and Canadian Medical Associations for the study of the long-term effects on Canadian residents in B.C. and Alberta?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I will take the hon. member's question as representation, look into the matter and get back to him.

* * *

[*Translation*]

PRESENCE IN GALLERY

Mr. Speaker: I am pleased to draw the attention of members to the presence in our gallery of Mrs. Catherine Lalumière, Secretary General to the Council of Europe.

Some hon. members: Hear, hear.

Mr. Speaker: I am also pleased to draw the attention of members to the presence in our gallery of the hon. Gilles Morin, Deputy Speaker of the Ontario Legislature.

Some hon. members: Hear, hear.

[*English*]

HON. STANLEY KNOWLES

83RD BIRTHDAY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I am sure all members of this House would like to join me in paying tribute today to the Hon. Stanley Knowles on the occasion of his 83rd birthday.

Some hon. members: Hear, hear.

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, on behalf of my party and on behalf of the constituents of Winnipeg North Centre, I also would like to bring greetings to Mr. Knowles. He is a man very much remembered and honoured in his constituency, and it is a pleasure to be here today on his birthday.

* * *

PRIVILEGE

QUESTION PERIOD

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, I rise on a question of privilege. I wanted to ask the minister a supplementary question. I know he answered it according to the law, but adoptive parents have some great difficulties. This particular couple had to travel to Romania, appear in court, they were asked if—

Mr. Speaker: The hon. member raised a question earlier in Question Period and an answer was given. The hon. member cannot seek a further answer by way of a question of privilege. The hon. member may wish to ask the question again, or the hon. member may want to put it on the adjournment debate, but it is not a question of privilege and I am afraid I cannot hear him put it.

* * *

POINT OF ORDER

CORRECTION TO COMMENTS

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I take this opportunity, which is the earliest opportunity that I have had, to bring to the House a correction in *Hansard* at page 1757, where I have referred to a legal addiction from which I suffer. I have checked the electronic media and indeed I did say "legal addiction" not "lethal".

GOVERNMENT ORDERS

[*English*]

BUDGET IMPLEMENTATION ACT, 1991

MEASURE TO ENACT

The House resumed from Monday, June 17, consideration of the motion of Mr. Mazankowski that Bill C–20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991, be read the second time and referred to Legislative Committee F; and the motion of Mr. Sobeski (p. 1804).

Mr. Speaker: Pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division on the previous question at second reading stage of Bill C–20, an act to amend certain statutes to implement the budget tabled in Parliament on February 26, 1991.

Call in the members.

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

(*Division No. 23*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bourgault	Boyer
Brightwell	Browes
Cadieux	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Cooper	Corbeil
Couture	Crosbie (St. John's West)
Crosby (Halifax West)	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Gibeau	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner
Horning	Hudon
Hughes	Jacques

James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lewis
Littlechild	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	Marin
Masse	Mazankowski
McCreath	McDermid
McKnight	Merrithew
Mitges	Monteith
Nicholson	Oberle
O'Kurley	Plourde
Porter	Redway
Reimer	Ricard
Richardson	Roy-Arcelin
Saint-Julien	Schneider
Scott (Hamilton—Wentworth)	Shields
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Weiner	Wenman
Wilbee	Wilson (Etobicoke Centre)
Wilson (Swift Current—Maple Creek—Assiniboia)	
Winegard	Worthy—127

NAYS

Members

Allmand	Althouse
Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Bélair
Bellemare	Benjamin
Black	Blackburn (Brant)
Blaikie	Blondin
Bouchard (Lac-Saint-Jean)	Butland
Callbeck	Catterall
Chrétien	Clancy
Comuzzi	Copps
Dingwall	Dionne
Duhamel	Edmonston
Ferguson	Finestone
Flis	Fontana
Foster	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Gérin	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Lapierre	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald (Dartmouth)	MacLaren
MacLellan	MacWilliam
Manley	Marchi
Marleau	Martin (Lasalle—Émard)
McGuire	McLaughlin
Mifflin	Milliken
Mitchell	Murphy
Nault	Nowlan
Nunziata	Nystrom
Pagtakhan	Parker
Peterson	Pickard
Plamondon	Prud'homme
Rideout	Riis
Robinson	Rocheleau
Rodriguez	Rompkey
Samson	Simmons
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Tobin	Vanclief
Volpe	Waddell
Walker	Wappel
Whittaker	Wood
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—106

PAIRED MEMBERS

Corbett	MacAulay

• (1530)

The Acting Speaker (Mr. DeBlois): I declare the motion carried. The next question is on the main motion.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I think you will find that there is unanimous consent to apply the result of that last vote to the next question.

The Acting Speaker (Mr. DeBlois): The House has heard the suggestion of the Opposition Whip. Is it agreed?

Some hon. members: Agreed.

The House divided on the motion by Mr. Mazankowski which was agreed to on the following division:

(*Division No. 24*)

YEAS

Members

Anderson	Andre
Atkinson	Attewell
Beatty	Belsher
Bernier	Bertrand
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Bosley
Bourgault	Boyer
Brightwell	Browes
Cadieux	Cardiff
Casey	Chadwick
Champagne (Champlain)	Charest
Chartrand	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
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Couture	Crosbie (St. John's West)
Crosby (Halifax West)	de Cotret
Della Noce	Desjardins
Dobbie	Domm
Dorin	Duplessis
Edwards	Epp
Fee	Feltham
Ferland	Fontaine
Fretz	Friesen
Gibeau	Greene
Guilbault	Gustafson
Halliday	Harvey (Chicoutimi)
Hawkes	Hicks
Hockin	Hogue
Holtmann	Horner

Horning	Hudon
Hughes	Jacques
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Koury	Landry
Langlois	Larrivée
Layton	Lewis
Littlechild	Loiselle
Lopez	MacDonald (Rosedale)
MacDougall (Timiskaming)	Marin
Masse	Mazankowski
McCreath	McDermid
McKnight	Merrithew
Mitges	Monteith
Nicholson	Oberle
O'Kurley	Plourde
Porter	Redway
Reimer	Ricard
Richardson	Roy-Arcelin
Saint-Julien	Schneider
Scott (Hamilton—Wentworth)	Shields
Sobeski	Soetens
Sparrow	Stevenson
Tardif	Tétreault
Thacker	Tremblay (Québec-Est)
Tremblay (Lotbinière)	Turner (Halton—Peel)
Valcourt	Van de Walle
Vankoughnet	Venne
Vézina	Vien
Weiner	Wenman
Wilbee	Wilson (Etobicoke Centre)
Wilson (Swift Current—Maple Creek—Assiniboia)	
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Members

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Angus	Arseneault
Axworthy (Saskatoon—Clark's Crossing)	Axworthy (Winnipeg South Centre)
Baker	Bélair
Bellemare	Benjamin
Black	Blackburn (Brant)
Blaikie	Blondin
Bouchard (Lac-Saint-Jean)	Butland
Callbeck	Catterall
Chrétien	Clancy
Comuzzi	Copps
Dingwall	Dionne
Duhamel	Edmonston
Ferguson	Finestone
Flis	Fontana
Foster	Fulton
Gaffney	Gagliano
Gardiner	Gauthier
Gérin	Gray (Windsor West)
Grey (Beaver River)	Guarnieri
Harb	Harvard
Harvey (Edmonton East)	Heap
Hopkins	Hovdebo
Hunter	Karpoff
Keyes	Kilger (Stormont—Dundas)
Kilgour (Edmonton Southeast)	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Lapierre	Laporte
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacDonald (Dartmouth)	MacLaren
MacLellan	MacWilliam
Manley	Marchi
Marleau	Martin (Lasalle—Émard)
McGuire	McLaughlin
Mifflin	Milliken
Mitchell	Murphy
Nault	Nowlan
Nunziata	Nystrom
Pagtakhan	Parker
Peterson	Pickard
Plamondon	Prud'homme
Rideout	Riis
Robinson	Rocheleau
Rodriguez	Rompkey
Samson	Simmons
Skelly (North Island—Powell River)	Skelly (Comox—Alberni)
Speller	Stewart
Stupich	Taylor
Tobin	Vanclief
Volpe	Waddell
Walker	Wappel
Whittaker	Wood
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—106

PAIRED—MEMBERS

Corbett	MacAulay

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

The motion is carried, the bill is read for the second time and referred to Legislative Committee F.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

JUSTICE AND THE SOLICITOR GENERAL

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, on a point of order. There have been discussions between the parties. I think you will find that there will be agreement to the following motion being put to the House without discussion:

I move:

That this House orders, having regard to paragraph 8.(2)(c) of the Privacy Act, that the Solicitor General cause to be laid before an *in camera* meeting of the Standing Committee on Justice and the Solicitor General, unexpurgated copies of the report by Mr. John Weir, concerning the escape of Daniel Gingras and the report by the Correctional Service Canada Board of Investigations concerning Allen Legere, and

That the *in camera* meeting of the committee take place with all the procedural protections normally accorded to *in camera* meetings, including a ban on the publication of the proceedings of the committee and on the disclosure of any information contained in the said reports which may be protected from disclosure under either the Access to Information Act or the Privacy Act; and

That this House takes note of the First Report of the Standing Committee on Privileges and Elections tabled in the House on May 29, 1991, and refers the said report and all the evidence and proceedings upon which the report is based, to the House Management Committee for further study.

[*Translation*]

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

Mr. Lapierre: Mr. Speaker, I rise on a point of order. Again, the government has been insensitive and failed to consult. I ask the Solicitor General not to propose motions out of the blue like that, because unanimous consent is required and it will not be given without consultation.

The Acting Speaker (Mr. DeBlois): In the absence of unanimous consent, the House cannot consider the motion of the Solicitor General of Canada.

Mr. Lopez (Châteauguay): Mr. Speaker, I rise on a point of order. When we had the first vote, this afternoon, I heard the name of the hon. member for Longueuil, as if he were present in the House. I want to advise the House that the member for Longueuil was not present at that time.

The Acting Speaker (Mr. DeBlois): You are perfectly right, and the correction has already been made by the Clerks-at-the-Table.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 83(1), I have the honour to lay upon the Table a Notice of a Ways and Means motion with respect to Special Assessments of Insurance Companies and Fraternal Benefit Societies. I ask that you designate an Order of the Day for the consideration of said motion.

* * *

NATIONAL UNITY

APPOINTMENT OF A SPECIAL JOINT COMMITTEE

The House resumes consideration of the motion of Mr. Clark (Yellowhead) to appoint a Special Joint Committee of the Senate and the House of Commons to inquire into proposals for a renewed Canada, and the amendment of M. Ouellet (p. 1912).

The Acting Speaker (Mr. DeBlois): At the adjournment of debate, the member for Saint-Boniface had the floor for a maximum of three minutes.

• (1540)

[*English*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, just as we recessed I had asked the government to note the spirit with which we had made a commitment to work openly and co-operatively with them in terms of trying to resolve, in a very creative, significant, comprehensive way the needs of all Canadians from all regions and all provinces.

I had also addressed why this committee had been created, and the main point was really to attempt to bring some long-lasting solutions to the needs of Canadians.

I had also addressed the question of the composition of the committee. I had indicated that in our amendment there was an opportunity to broaden that representation so we could, in fact, ensure that a number of groups would be represented and that there might be greater satisfaction for all Canadians.

I had addressed the question of process and indicated that we must reach out, we must be open, we must listen and we must respond in terms of the information we have received.

Finally, I had indicated that we must have a substantive proposal that really in fact reflects what we have heard.

[*Translation*]

As a Canadian, as a Manitoban and as the hon. member for the federal riding of St. Boniface, I want to remind you all that Canada and the Canadians need us now. They need us to make an effort. They want us to solve their problems.

[*English*]

We are in fact pressed for time. We know that we have a job to do. This is not the time to cop out when the going gets rough. It is not the time to give it to another group to resolve. Surely together we can work and come up with a solution.

[*Translation*]

Together, in cooperation with one another and I hope constructively, let's work with all the Canadians for the

well-being of all of Canada, and let's build a modern Canada not only for us now, but for our children and for the future generations.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I listened carefully to the speech made by the member for St. Boniface, and I must commend him for his speech which was balanced, well presented, and gave roughly the orientation to follow.

Like him, I do have hesitations with certain components of the solution to the problem, as, for example, the methods we should use to consult Canadians. We know that the New Democrats do not want us to give up the concept of a constituent assembly. They were unable to clarify this morning how they would designate people to this assembly. But they nevertheless tried to make us believe that it was the one and only solution.

We know that the constitution does not presently provide for a constituent assembly. Very few constitutions—in fact, as far as I know, there are none—provide that constitutional changes are made by a constituent assembly. This formula was used in certain countries—there are a few, but I will not list them—hit by a revolution or a civil war, and it was to write a new Constitution.

But I want to ask him a very specific question. It is about the referendum, which can be very useful, but also very dangerous for some of us who are afraid. It is true that a referendum, if it is used to confirm a project of society, to confirm an agreement, that is fine. But my question—and I ask him now, Mr. Speaker—is: does he agree with me when I say that a referendum which would be held to confirm a constitutional arrangement should not reduce in any way the rights guaranteed to Canadians by the Charter?

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I appreciate very much the question. First of all, there is a flagrant contradiction in the New Democratic Party position. As you have mentioned, they proposed a constituent assembly. That is one kind of constituent assembly, but there are many others. They said that they did not have the perfect solution. This one is not perfect either. So, I don't know why theirs would be better than this one. I have the feeling that they are all a little inadequate. Some how I still find contradictory that they would want a constituent assembly to involve more people, when they don't want a referendum. For me, this is the ultimate constituent assembly. So, they have to explain the rationale behind all this.

As far as your specific question is concerned, indeed, we cannot create a country and I have said so many times, but I appreciate so much the question. By depriving people of their rights—we heard that many times during the hearings across the country—we create a country, we build a stronger, more united, more stable country by trying to maintain, by ensuring that we maintain the rights that Canadians have acquired.

So, when I talk about a referendum, I talk about a referendum about a bill, about a constitutional reform if you prefer, that maintains all the rights that we have today and hopefully adds others perhaps for the aboriginal peoples and other groups that have not been treated well enough up until now.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, first I would like to congratulate the hon. member for St. Boniface on his very well researched, creative and comprehensive presentation on an issue of great national importance, an issue that concerns the very survival of our country and our nation. I would like to congratulate the member on that presentation.

These are difficult times for the country. It is a very large country and we need a very big heart if we are to understand each other. I am reminded of the Latin maxim *salus populi suprema lex est*, the welfare of the people is the supreme law of the land.

It seems to me that as the welfare of the people is the primary mission of the whole country, testing our proposal via a referendum would be the ideal way. I would like him to comment since he indicated that the NDP wants a constituent assembly so that more people will be involved.

I find that almost paradoxical because the Charter of Rights is part of the referendum package and will ensure that minority rights will be protected and at the same time all people will be consulted.

I would like the member to kindly comment on this issue.

Mr. Duhamel: Mr. Speaker, I would like to thank my colleague for the questions.

First, I have said it and I want to repeat it, we from all parties need to ensure that we are primarily concerned

about this great nation of ours. It is the second largest geographically, 31st in population size, and the eighth largest economy in the world, the one country where most people would want to move to, if they could. We must never forget that is the prime objective.

The second point I want to make is that there is a flagrant contradiction in saying that their model of a constituent assembly is going to involve more people without being prepared to implement the ultimate model, which is the referendum.

I want to stress again and again and again that a referendum must respect the rights of all Canadians and, hopefully, will add to the rights of many Canadians who have insufficient protection today, such as aboriginal peoples and others. These include the rights of women, the handicapped, working people and what have you. We will let the committee decide that. Surely, we must be sensitive to the rights of all Canadians. That is a contradiction.

The final point is an important one. We have to be careful about semantics, because many members will know that the 1864 constituent assembly was composed completely of parliamentarians. That is one model of constituent assembly.

• (1550)

I would hope that we could draw other people into the process and actually listen and respond to their concerns. The NDP has proposed one type. I have not seen its particular model presented to the House of Commons, I suspect because it would feel awkward pointing out the groups left out. There is good politics in what the NDP is doing, but is it best for Canada? That is the fundamental question.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): I will be brief. I think I was very surprised when I heard the speech of the member for St. Boniface who seems to have a solution to every problem today. Yet, during the debate on the Meech Lake Accord, he refused to recognize Quebec as a distinct society. He was against the Meech Lake Accord, but today he is about to propose a referendum where Quebec's population, all of Quebecers would be diluted in the Canadian population as a whole. So I tell the member for St. Boniface that he has the right to serve the interests of English Canada, his country; he is entitled to his own culture and traditions. You are entitled to that, but don't try once more to play tricks or to stuff Quebec the way you and your party did in 1982.

Mr. Duhamel: Even if I find his comments exaggerated and disgraceful, I will say that that is why my colleague and his party won't go far. I did not say I was against the Meech Lake Accord, I said I would support if the propositions of the Liberal Party were adopted, because otherwise the rest of Canada would have been left aside.

An hon. member: You are hypocrits!

Mr. Duhamel: And I find regrettable that those people elected by the people try to make me say otherwise or to make people believe that I said something else. Now they are smiling—

An hon. member: Another Chrétien!

Mr. Duhamel: Arrogance, insensitive, trying to interpret my own thoughts, my own words. You won't go far, my friends, with comments like that. You are falling apart. You are going to get drowned with your arrogance, with your lies and your exaggerations. I know the country as well as you do. I would even say I know the whole country even better than they do. I find interesting that they ask me a question, but then when they get treated roughly, they want me to stop. Well, I regret, I could say a lot more, Mr. Speaker, but they will pay the price for their arrogance and lies!

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, we must first agree that the wish expressed by the government to appoint a Special Committee of the House and the Senate to examine what is going on in this country and to see how the government and the institutions as a whole must deal with the situation, is a legitimate one.

As for myself, I can only support the wish of the central Parliament, of the federal Parliament, of the supreme institutions of Canada to deal with a crisis that is dividing the country and to try to see first the reality, and then what can be done about it.

In this sense, we must also commend all the parties in the House for seeking to rise above partisan lines, to form a sort of very large group, the largest possible, in order to look at the reality. Why do the parties have such an unusual instinct? We know well that parties generally fight at much lower levels and clash over the issues that divide them. Why, this time, do the parties feel the need to unite themselves in this endeavour? Why? Because

they know well that the crisis is such that we must include, all aspects of the problem. We cannot afford, in the face a such a situation, to be divided, to hide the reality. So, we want all the parties to be there, because all the parties, by their very existence, show that political reality takes various forms, that it is not monolithic, that there are several aspects and that we must represent them all, which is what the parties do through the election that brought them here in this House. However where the approach of the parties in this House is misleading, where it distorts reality, is that it fails to reflect, in the composition of the committee, one of the aspects of the political reality in this country, that is the move of Quebec towards sovereignty.

In other words, the kind of unanimity we see in this Chamber, this search for the truth, for honesty, does not go beyond these walls. There is some kind of framework which this Chamber does not want to get out of. We choose to ignore the most critical aspect of this crisis, the fact that it generated a sovereignty movement in Quebec, the fact that according to the latest polls 57 to 59 per cent of Quebecers want sovereignty.

I understand that it is a problem for a federal Parliament, for a country like Canada, an enormous problem for which a solution has to be found. If I were a federalist, I, too, would try to find a solution to such a problem. However the majority of the people in Quebec are moving toward sovereignty. Therefore, the normal reflex in this House is to create something which would be above the parties, in order to see what the reality is.

By doing that, Mr. Speaker, the government and the opposition parties are burying their heads in the sand while saying: "Yes, we are going to review all aspects of the problem, but not sovereignty." But the problem is sovereignty, and the committee is not going to look at it, is not going to look at the fundamental problems of Quebec.

The process being launched today is therefore heading for immediate failure. This attempt is doomed to failure. It is obvious that what you embark upon today, without us—not because you exclude us, as individuals, but because you exclude what we represent—is a process doomed to failure in the same way as the two previous attempts. In other words, you will look at everything, except the problem.

Mr. Speaker, it is not only the attitude demonstrated by the the creation of the committee and the exclusion of the representatives of the Bloc québécois that shows that we live in a surrealist world, there is in particular, the speech of the hon. member for Papineau—Saint-Michel, this morning, who, following the example of all those who speak here about the sovereignty of Quebec, condemned this movement. He tried, once again, to talk in a derogatory way, of something perfectly legitimate that reflects a deep reality, that is in keeping with an historic continuity of a people reaching towards the ultimate fulfilment.

When we talk about sovereignty the way we do, Mr. Speaker, we are once again burying our heads in the sand. When we are told that the fundamental values of the country are embodied only in federalism, we forget that the sovereignty of Quebec is as legitimate as that of Canada and that even Canada, in its present arrangement, does not reflect the values that it embodied in the beginning.

The Canadian dream, Mr. Speaker, does not work anymore, even with the values that were there originally. It is not Quebec's fault, Mr. Speaker, it is not the fault of sovereignty if, for the last twenty years, Canada has lost its place in the world, its competitiveness, its productivity and is not recognized anymore as a major international partner. It is not Quebec's fault, it is a crisis in self-confidence, Mr. Speaker. Moreover, Quebec cannot be blamed for that *coup de force* that was imposed on it in 1981-1982, as you well know.

Well, the House turns away from the facts and forgets what caused the situation we are now experiencing. But one must not forget, Mr. Speaker, because we, Quebecers, do remember! We are well aware that you also remember even if you do not talk about it, even if you ignore it when you take your decisions. Quebecers do remember that, in 1981-1982, nine provinces plus the federal government, with the support of the Parliament of Westminster and the Supreme Court, imposed on Quebec the shredding of the Confederation Pact. They acted to amend the constitution of a democratic country in order to reduce the powers of one of its two signing peoples, one of its two founding peoples, so that, in spite of its repudiation, in spite of its protestations, Quebec

had to accept a constitution which still governs it today, eight years later, even though it did not sign it.

This democratic Parliament—for it is substantially and essentially democratic, I do recognize that—this Parliament nevertheless voted for a constitution against the opposition of Quebec, despite a nearly unanimous vote in the Quebec legislature by more than just the Pequists and Separatists, as they are often called here. The Parliament in Quebec, the rightfully-elected Quebec institution, all that exists in Quebec, had to accept a Constitution from which we, Quebecers, are excluded, although it governs us legally, although it is not politically legitimate, because we all know that a constitution is more than a piece of paper, Mr. Speaker, it is more than a legislation. A constitution embodies the values that bind us together. You could give your life for it, if necessary, and defend it with your own blood. A constitution is the soul of a people, because we are one country. But, this constitution, Mr. Speaker, does not speak for us, it is not our soul. This constitution was, in a very unacceptable way, pushed down our throat.

• (1600)

Mr. Speaker, we did try for many years, in 1987, 1988, 1989 and 1990, to sign it. We, who come from the Province of Quebec, had decided to make one more show of confidence in Canada by signing the Constitution, even if it was a sign of disgrace for us. We were ready to accept the strict minimum, that is the recognition of Quebec as a distinct society. It did not even change anything concerning powers. Everyone knew that it would not alter the balance of power.

But, they said no to us. That means that not only did they push an injustice upon us, an unspeakable injustice, which will stay forever in the Canadian history, as long as they will not come back and admit it, which they do not want to do, even today, at the risk of losing Quebec. Furthermore, they even refuse to make amends for that injustice, Mr. Speaker.

So, no one can tell us that sovereignty is a negative move to destroy this beautiful country. This country is on a self-destruct course, Mr. Speaker, if it has not already destroyed itself through its intolerance, its refusal to accept reality. We have a political problem, Mr. Speaker. I do not think that the Meech refusal was inspired by malicious intent.

[*English*]

I do not believe Canadians were motivated by malevolence against Quebec when Meech was refused. I think English Canadians think they have a country, Canada. They love their country. It is the country of their heart and they have a right to behave like this. I understand them very well. Their sons, their fathers, their grandfathers shed blood for it and they stand ready to do it any time.

That is why when you ask them to change their country on something which is perceived as being substantial they will say no because this is their country. I do understand that.

But you must admit the reciprocal reality because Quebec is not recognized in this country. This is your country, the federal institutions, the whole way of governing the country. It might be legitimate for you but it is not for us. There are two visions of the country, two loyalties, as respectable in one case as in the other. It means we have to put forward a political solution.

There is a requirement for political maturity now and a need to admit that Quebec has a right to have its own country. English Canadians have a right to have their country, and we also have the same right.

Some things are really very mature but are difficult to do now because we must start from reality. But what are you doing now? You are attempting to ultimately solve the problem but like ostriches you refuse to see reality, which is the main aspect of the problem.

What I hear is the Canada round. This will be the Canada round. When was the last Quebec round? When was it? The last Quebec round was in 1867 when Macdonald and Cartier sat down and struck a compromise and decided to build a country. More than 100 years after that one of the parties tore up the pact.

I think that this is a failure. This committee will be a failure like the Spicer committee, like the Beaudoin-Edwards committee. Why? Because some people do not have the courage to admit the fact that we have to examine two realities. That is why I believe that some change should be made. I am making an honest proposal because we sovereignists know perfectly well that the decision will be made in Quebec next year. In the meantime if something rational, responsible and realistic is to be done here, it should be first to accept our

proposal to serve on the committee. We do not like to be on the committee. We are not here for that. It would be, as we stated in the letter, a way to allow English Canada to do more about the motivations of Quebec and to know what is going on in Quebec and why. So it would be a service to reality and to democracy.

Second, I really think it would be a question of responsibility and realism to look into what will happen when Quebec makes its decision. It would be wishful thinking to hope that Quebec will not make the decision.

Right now the National Assembly is debating a bill to oblige the government to set up a referendum on sovereignty by next October, 1992 at the latest. Then the government of Quebec will be obliged to put the question to Quebecers. We think their answer will be yes, we stand for sovereignty.

What happens to Canada if the answer is yes? It will not be a nice cosmetic report from a committee where sovereignty will have been hidden, taken away, that will make English Canada ready for this. English Canada must prepare itself for what will happen next year when Quebecers will take responsibility because they will have to take responsibility. That is why the second modification to the proposal should be to enlarge the mandate of the committee and allow the members of the committee to look into what should be the behaviour of Canada when Quebec becomes sovereign.

There will be huge decisions to make then. What kind of economic arrangements can be struck? What kinds of arrangements will have to be made relating to, for example, the monetary system, the debt, the partition of the assets, everything? Those are monumental questions to address. Even in Quebec we are doing that. Not only because we are trying to know what will happen when we become sovereign, but we have also set up a committee in the National Assembly to look into the next offers that will come from the federal government. Do not forget that those offers will not be studied by the committee if they do not immediately bind, as now, the federal government and the provinces.

Let us be frank, let us be courageous, let us be realistic. This country was not built on wishful thinking; it was built by people who looked at hard reality. We are not doing that. We are hearing speeches from cosmetic orators, people who, like the minister, cannot even answer a question on the substance of the motion and on the heart of the crisis; people who stand up and only throw insults at us and play games. It is time for the truth and we are calling for the truth now.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Questions and comments. The hon. member for Chambly.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I have listened with great interest to the comments of the hon. member for Lac–Saint–Jean. I refrained from saying anything while he was speaking, because I felt he deserved some respect. I must add, Mr. Speaker, that the independant members of the Bloc québécois have never shown me any of the respect that I have always shown them in the House. Most members here, even those of the government, have often been harassed by the members of the Bloc. I have even heard the hon. member for Hull—Aylmer call one of the ministers a "whore" this afternoon.

Mr. Rocheleau: On a point of order!

Mr. Edmonston: I find that uncceptable. The hon. member knows that he said it. I heard him. I did not rise on a point of order right away, but that is often what happens—

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for Hull—Aylmer, on a point of order.

Mr. Rocheleau: Mr. Speaker, I would like the hon. member for Chambly to withdraw what he said because I never said that, as I live and breathe, Mr. Speaker. If the hon. member for Chambly heard anything like that, it was probably in his own mind.

• (1610)

The Acting Speaker (Mr. DeBlois): I am sure the hon. member for Chambly will withdraw, if that is the case.

Mr. Edmonston: Mr. Speaker, I have too much respect for the Chair to refuse to withdraw what I said. But, Mr. Speaker, I know what I heard.

To continue my comments—

Mr. Lapierre: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for Shefford, on a point of order.

Mr. Lapierre: Mr. Speaker, I am sure that the hon. member for Chambly who claims to be an honourable man will withdraw what he said. I was in the House throughout Question Period, and I swear on my honour that the hon. member for Hull—Aylmer did not say those words, and I am prepared to swear by that, Mr. Speaker.

Mr. Edmonston: Mr. Speaker, I did not come to the House to argue with the people sitting behind me. My point was that I heard and that I know what I heard. But if the other people involved heard nothing, I will take their word for it.

In concluding, I would like to say—

Mr. Gérin: No, that isn't right. Mr. Speaker, on a point of order.

Mr. Edmonston: Mr. Speaker, they are trying to—

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead, on a point of order.

Mr. Gérin: Mr. Speaker, a member in this House made an accusation. The hon. member for Chambly just made an accusation he cannot maintain. We can't let the hon. member off the hook just like that. The hon. member accused the hon. member for Hull—Aylmer of saying something that was not said. We can't let matters go like that. Mr. Speaker, the Chair has certain duties and obligations. Tell the hon. member for Chambly to withdraw or leave. He has no business being here if he can't act like a gentleman.

The Acting Speaker (Mr. DeBlois): I believe the hon. member for Chambly withdrew what he said to the hon. member for Hull—Aylmer. If the hon. member for Chambly has anything to add, I wish he would proceed so that we can get back to questions and comments.

Mr. Edmonston: Mr. Speaker, it seems my point was well taken, which was that we have a certain amount of decorum here in the House, and that we should treat people with a certain amount of respect. That was my point. To continue my comments, Mr. Speaker, I would like to say that every time someone wants to criticize—

Mr. Rocheleau: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. DeBlois): I will recognize the hon. member for Hull—Aylmer once more on a point of order, but I would like to get this over with as soon as possible so we can get back to the subject of this debate.

Mr. Rocheleau: Mr. Speaker, I am sure you will deal with the matter, but I do not appreciate what the hon. member for Chambly said about me. As I said earlier, as I live and breathe, I never said those words, and I want the hon. member for Chambly to apologize to the hon. member for Hull—Aylmer or else leave the House.

The Acting Speaker (Mr. DeBlois): We can always check *Hansard*, but to my knowledge, the hon. member for Chambly withdrew the words that might have been attributed to the hon. member for Hull—Aylmer. Subject to checking the blues, I think this aspect was dealt with satisfactorily. Now I do not believe the hon. member for Chambly referred to any members by name.

Mr. Edmonston: Mr. Speaker, to continue my comments, I was very intrigued when the hon. member for Lac Saint-Jean said: we are all sovereigntists in the Bloc québécois. I would like to ask him whether that includes the hon. member for Shefford, who still has his Liberal Party membership card? In fact, I wonder whether it is a card for the provincial Liberal Party, issued Saturday night when the provincial Liberal Party was all indépendantistes and sovereigntists, or a card for the federal Liberal Party.

Mr. Lapierre: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. DeBlois): Order, please. Before I recognize the hon. member for Chambly on a point of order, I would remind him that questions and comments must always be directed to the previous speaker who was the hon. member for Lac-Saint-Jean in this case.

For that matter, I could not give the floor to the hon. member for Shefford in response to the hon. member for Chambly's question. I would like him to conclude since other members have asked to be recognized.

The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, the hon. member for Chambly would certainly agree that it is not the time now to throw a boomerang to try to know what are beliefs of and what party we belong to. Mr. Speaker, I, personally, am a member of the Quebec Liberal Party and I am proud of it. I am not like the hon. member for Chambly who claims to be "sovereignist" in his riding

and federalist within the NDP. That is the difference between—

The Acting Speaker (Mr. DeBlois): Order, please! The time allocated to the hon. member is now terminated and I would like to recognize another member who has already asked the floor for a comment unless the hon. member for Lac-Saint-Jean wants to answer if the hon. member for Chambly did actually ask him a question.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I would like to answer to his question since he did put a question to me.

Mr. Lapierre: Or to his comment. Go ahead then!

Mr. Edmonston: Point of order, Mr. Speaker!

The Acting Speaker (Mr. DeBlois): Order, please! I would be much grateful to the hon. for Chambly if he would co-operate. The time provided for comments and questions periods is ten minutes. Now, seven and half minutes have been used already and some other hon. members would like to speak. I would like very much to recognize the hon. member for Saint-Denis.

Mr. Bouchard (Lac-Saint-Jean): But you did recognize me so that I could answer!

The Acting Speaker (Mr. DeBlois): The hon. member for Lac-Saint-Jean, but very briefly.

Mr. Bouchard (Lac-Saint-Jean): Mr. Speaker, I think that the hon. member for Chambly did not understand what the Bloc Québécois is all about.

The Bloc Québécois, Mr. Speaker, reunite every sovereignist of every political stripe in the province of Quebec. I can tell you that in Sorel, during the last week end, there were many New Democrates who have had enough of your party, of its hypocrisy and its double talk.

The Acting Speaker (Mr. DeBlois): The hon. member for Saint-Denis for a question or comment.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I note with much regret and sadness that we have brought this debate down to very low standards. Personnally, I consider that debate to be an important debate since the future of my country is at stake. I, for one, do believe passionately that I can remain Marcel Prud'homme for ever within this country called Canada where I can evolve, breathe and be myself.

The only thing I would like to say to this House and in the presence of the responsibile minister, is that I regret that that member would not remain silent! The reason for that is quite simple because on some other occasions or during other debates, Heaven knows we can always indulge in that sort of exchange, but not when we are talking of the future or the possible desintegration of this country.

As I said, I am very concerned by the tone of this debate and I must say that the hon. member, who is a friend, did not help much to raise the level of the discussion. I listened carefully to the comments of the member of the new party—I do not mean the New Democratic Party because they just do not know where they are going—but the member from the Bloc Québécois and he got me thinking. I would have hoped that we all had the decency to listen to what he had to say.

I was in agreement with him when he said that we must return to the spirit of the Cartier-Macdonald era. That is why I am a Canadian, that I am not a member of the Bloc Québécois and that I seem so passionate now and I will conclude by saying that I shall be so in the presence of the responsible minister during the months to come.

But I must recognize that there were some food for thought in the hon. member's speech.

[*English*]

I would hope that people in English Canada will read his speech calmly, attentively and see if it is not worth saving this country by returning to what we call the spirit of Cartier and Macdonald.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I recognize the hon. member for Lac-Saint-Jean for a very short answer.

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, I thank the hon. member for his comments. I most sorry also that I could not get an answer from the NPD representive to the comments I made. I had hoped I

might get a reflection from him. But I firmly believe that he will go through such a reflection outside the House.

I would particulary like the government to conduct itself with realism, with a sense of responsibility and with openmindness since it is responsible for Canada and Quebec, which is still part of Canada.

As for us, within the Bloc Québécois, we want to talk to English Canada. We think that discussions are paramount to our mission. We insist that we must have political solutions to political problems.

• (1620)

[*English*]

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Prince Edward—Hastings—Agriculture; the hon. member for Markham—Whitechurch—Stouffville—Pornography; the hon. member for Nepean—Employment; the hon. member for Eglinton—Lawrence—Immigration; the hon. member for Moncton—Highways.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I am pleased to participate in this very important debate to establish a special joint committee of the House of Commons and the Senate to consult with Canadians and to develop proposals with respect to our Constitution, proposals which might be discussed with the provinces and, in particular, with the province of Quebec.

The question might be asked: why is this necessary and how did we get here? I will summarize very quickly. As many Canadians know, in 1981-82 we repatriated the Canadian Constitution with a new amending formula. Before that time, we did not have a proper amending formula in our Constitution. We also, in patriating the Constitution, established a Canadian Charter of Rights and Freedoms and introduced other measures in our Constitution which were not there before, measures such as a recognition of aboriginal rights, an entrenchment of the right to equalization and so on.

At that time there was a Parti Quebeçois government in power in Quebec. For one reason or another, and I guess in particular, because that government's option was not for Canada but rather for a separate, independent Quebec, it did not sign the constitutional agreement of 1982. As a result, Quebec politically was left out.

When Mr. Bourassa came to power a few years later he made a five point proposal to the federal government and to other provinces as a basis for Quebec signing the Constitution of 1867 plus 1982, the composite Constitution as it developed, and those five points were put under discussion.

As a result of that discussion, the federal government with the provinces developed the Meech Lake Accord which was a series of amendments to the Constitution of Canada which would have addressed the concerns of Quebec and in particular the five point program put forward by Premier Bourassa. It also addressed some other matters that Mr. Bourassa had not raised at all, but which came out of the discussions with the other provinces.

We all know what happened. About a year ago the composite set of proposals to amend the Constitution known as the Meech Lake Accord did not get the necessary support. Parts of it required seven out of 10 provinces agreeing. There was easily that acceptance of it, but I think three major parts required the unanimous consent of all the provinces. It ended up that two provinces did not agree, and so the Meech Lake Accord failed.

In the aftermath of that failure there was a great reaction in Quebec. Many Quebecers, in part due to false information and in part due to a lot of demagoguery on the part of certain journalists, certain politicians and so on, felt rejected by the rest of Canada. This was a false situation because it was forgotten, and I think unfortunately forgotten, that eight provinces supported the Meech Lake Accord and the federal Parliament supported the Meech Lake Accord. The majority in all parties in this House supported the Meech Lake Accord and the Senate supported the Meech Lake Accord. I say that despite its flaws.

Our own party had, on two occasions, proposed nine amendments to the Meech Lake Accord, but the government, which I think was wrong in doing so, was totally inflexible. It did not accept any amendments. However, despite the fact that the Meech Lake Accord was flawed, on balance it was supported by this House, it was supported by the Senate and supported by eight prov-

inces of Canada. There was no rejection of Quebec by the other provinces, what is called in Quebec sometimes "English Canada". I refuse to accept that description of Canada outside of Quebec as English Canada because it is made up of many elements, including one million francophones but also people from all over the world including our aboriginal peoples.

The rest of Canada did not reject Quebec. That was the perception and there was a great reaction which led to the re-emergence or reinvigoration of the *indépendantiste* movement, the separation movement, or the sovereignty movement—whatever you want to call it—in Quebec. As a result, the Government of Quebec under Premier Bourassa set up the Bélanger-Campeau commission in conjunction with Mr. Parizeau, the leader of the Parti Québecois. This commission carried on its work for the greater part of the last year. The Quebec Liberal Party, the provincial party, also conducted its own study with the Allaire commission. As well, the federal government set up the Keith Spicer commission and the Beaudoin-Edwards committee of this House and the Senate. All were dealing with different aspects of the Constitution and how we might resolve the constitutional crisis that arose from the failure of the Meech Lake Accord and, going back still further, the fact that Quebec had not signed the Constitution of 1982.

The government has put forward this motion to further the work at the federal level and has suggested this committee. Our party agrees to it. We have suggested some changes to the mechanics and the membership of the committee, but in principle we agree with what the government is trying to do, that is to develop in consultation with Canadians all over the country, openly and in depth, constitutional proposals that will be satisfactory not only to Quebec but to all Canadians.

I am an optimist. I was born in Montreal. I have lived in Montreal for the greater part of my life. I have also lived in Ontario and New Brunswick and Nova Scotia, but I am a fifth generation Quebecer. I talk to my friends and acquaintances, the people I have worked with in law firms in Quebec—at one time I was the only anglophone in a law firm of 45 Montrealers. I have played hockey in Quebec on teams where the great majority were French Canadians, who were francophones. I still am in touch with these people. It is my deep-rooted feeling that we in all parts of this country have much more in common than what divides us, much more in common.

We share great values together. We share the land. We share the beauty and resources of this country. Consequently, what we are searching for is a constitutional formula which will represent the commonality of views and values and so on.

I think it is possible. If there was great division among the individuals and peoples of this country that outweighed the things that we have in common then I would say it is a hopeless task. However, deep down I know that I as an anglophone Quebecer have much more in common with my francophone colleagues in Quebec than I have with any American, than I have with people even within this country, from British Columbia and from Alberta. If we cannot find a legal constitutional formula which will represent this commonality of views, the spirit that Canadians share together, then what hope is there for the world?

That is why statesmen around the world are speaking out in amazement that we would even think for a minute of splitting up this great and wonderful country. They see Yves Fortier at the United Nations. They see Claude Jodoin, one of the greatest labour leaders that this country has ever produced. We have had three prime ministers from Quebec, we have produced outstanding people at the national level.

• (1630)

I am not talking about at the Quebec level. Of course, at the Quebec level it is evident that francophone Quebecers would rise to the top. However at the national level francophones have risen to the top in all facets of life: in the theatre, in dance, in music, in politics, in labour, in the academic world and so on.

I am an optimist. There is much more in common between us than that which divides us. What we have to do and what we hope to do in this committee is determine how to translate the commonality of interest into a constitutional formula.

My interest in these matters goes back a long way. I was a member of the joint committee of the Senate and the House of Commons in 1970-71. That was the committee chaired by Senator Molgat and Mark MacGuigan of this House. By the way, that joint committee

sat for more than a year, and many of the recommendations in the report are still very worthwhile.

We travelled all over the country and heard people in much the same way as the government is recommending that this new committee do. Times were different then, but this was in the beginning years of the separatist movement in Quebec. There were other constitutional pressures from the west and the east at the time.

Again, I sat with the joint committee in 1980–81, the Joyal–Hayes committee, which studied the proposals to repatriate the Constitution and set up a charter of rights and freedoms.

I also had the good fortune to be a full member of the special committee on Indian self–government in 1981–82 which travelled this country for more than a year, meeting with aboriginal peoples. It finally recommended that we come out in favour of aboriginal self–government in this country.

The message that I want to give to the minister and to the members of the House of Commons is that in discussing these proposals, we cannot forget the minorities in this country. Some have said that this country is made up of minorities, that there really is not any majority.

That may be so. However, sometimes when the leaders of provinces get together, they represent the majority view of those provinces and too often have forgotten the minorities.

When I first came to this Parliament, we spoke of the two founding nations. At the time that might have made some sense. As we began to discuss these things with the Indian people in Canada, the Inuit and the Metis, we soon learned how ridiculous it was to consider the English and the French as the two founding nations when thousands of years before them were the first nations, the Assembly of First Nations as they call themselves now.

These people, the Cree, the Micmac, the Ojibway, the Montagnais and so on were here for thousands of years. They have been forgotten in the constitutional discussions. Of course, except for the Northwest Territories and to a certain extent in the Yukon, they do not form the majority in any political unit in this country. Consequently, they cannot bring their political views to light or put pressure on others because they do not have the political structures to do so. Approximately 1 million aboriginal people are spread throughout this country.

We have to find a way. I was pleased that the minister and our leader are committed to finding a way of involving those people in the constitutional discussion. If we do not do that, we will never have a Constitution which will serve all Canadian people in a just and lasting way.

I can recall very well last summer when I was in Geneva for a disarmament conference at the time the Oka crisis broke out. Canada was on the front pages of the European newspapers, but not in a very positive way. The headlines said that Canada was oppressing its aboriginal peoples, its native people.

In too many cases the news was oversimplified. It did not totally explain the situation. However, the message, which deep down is correct, was that we have forgotten, we have ignored and we have not treated our aboriginal people properly. This is an opportunity to do that.

With respect to our two official languages, it is recognized that Canada is made up of many peoples. Our leader has proposed that in a new Constitution the preamble should recognize the peoples who have come together to build this country, including the English, the French and the aboriginal people—I am not listing them in any priority—and the millions of people who have come from all over the world and now make up more than one–third of our population. They have come from Europe, Asia, Latin America, Africa and form a great and positive force in this country. We have to recognize them all.

We have a policy of multiculturalism in this country so that we can take the best of all those cultures. We are not a melting pot. We do not want to forget the greatness that comes out of those nations when these people come to this country. We want to keep the best of their cultures and make it part of our own.

We have two official languages and I cannot understand those people who try to diminish the use of the two official languages, who attack them, who look on them as a burden. For me to have two official languages is an outstanding asset for a country and in particular to have as our two official languages English and French, which are among the two greatest languages in the world.

Not only are they widespread throughout the world, but they have great literature and culture associated with them, great theatre, great writings, great philosophers, and great political theorists. To have these two great languages as our official languages should be an asset. Canada, different from many other countries, can do business in French and English. We can do diplomacy in French and English. We write books in French and English. We produce theatre and television in French and English. We have great universities in French and English. We have great libraries in French and English.

The United States, Great Britain, France, Germany, and Italy only have one language. They can only do all those things to which I referred in one language. We have this great asset and advantage of two official languages and we should make the most of it. We should use the fact that we have two official languages to attract tourists, business, international associations of the United Nations or whatever. I can recall right after the Second World War that ICAO and IATA were attracted to Montreal because Montreal was a city with two official languages and many other cultures such as Italians, Greeks and so on. That was an attraction for international organizations to move there. Great international conventions would come to Canada because we can work in two languages. We can make it an asset. We can look at something positive.

There have been rumours that in order to get a constitutional agreement there could be suggestions that we cut back on our commitment to linguistic duality or to the two official languages. By the way the policy of bilingualism is not and has never been that all Canadians must speak the two official languages. The policy is that the government must be able to serve Canadians in their language, either English or French, where they are in sufficient numbers and that makes good sense. That does not hurt anybody. There has been some talk that we should move to the Swiss model. In Switzerland, where I lived and worked for a while, there are 22 cantons, the great majority of which are either German, Italian, or French-speaking, but there are only two cantons that I know of with two languages.

In Canada there are one million francophone Canadians living outside Quebec. As was already stated in the debate today, those million francophones are greater than the entire number of francophones living in Quebec at the time of Confederation in 1867. There are also—fewer today than there were a while ago, unfortunately— about 700,000 to 800,000 anglophones living in Quebec who have very deep roots in Quebec. They developed many parts of the Eastern Townships and, with the Inuit and the Indians, developed the north through the Hudson's Bay Company and the fur trade in the very far north of Quebec. They have very deep roots in Quebec.

To move to a situation where we would say that Quebec would be a French-speaking province—I will refine that in a minute—and all the other provinces would be English-speaking, I think is wrong. I have always recognized that the principal language of Quebec should be French and I have always recognized that Quebec should be a distinct society. It has been a distinct society since it was on this continent.

• (1640)

In the Constitution of 1867, Quebec was the only province that was to have civil law. All the others were to have common law. Quebec was the only province at that time that had the responsibility of two official languages under Article 133. Quebec was the only province with protected counties.

Since that time, other things have developed. Quebec has its own pension plan *la Régie des rentes*. The other provinces have the Canada Pension Plan. Quebec collects its own income taxes and the other provinces do not. Quebec and Ontario are the only two provinces that do not have the RCMP as their provincial police force.

My point is this: Quebec has had very distinct traits for over 100 years. We should recognize that and where it is essential, provide the powers that go with that distinctiveness. This does not mean that we would go as far as the Allaire commission report, but we could achieve a balance which would provide justice to Quebec and to the rest of Canada. That is what this committee strives to do.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I listened to the hon. member speak about Quebec in his speech and I get the distinct impression that he loves Quebec. Besides, a family as long-established in Quebec as his is truly a Quebec family.

We, Quebecers, know that French-speaking and English-speaking communities can easily live side by side. However, I find the hon. member a tad too optimistic. A man with his political experience should know that attempts have been made over the past 30 years to renew the Canadian Constitution which is a complete anachronism.

Since 1960, in Quebec, prime minister Duplessis, then Mr. Lesage, Johnson, Bourassa, Lévesque and Bourassa again have tried hard to renew it to no avail. I would like to ask him why have 30 years of constitutional discussions produced no agreement between Quebec and the rest of Canada?

I would also like him to tell me if he thinks that the government is truly committed to this final stage, before October 1992, when the people of Quebec will most likely decide upon sovereignty. What does the hon. member think of this then: a government who, the day before presenting this motion it claims to be important, encroaches upon the education system which has traditionally been the exclusive jurisdiction of Quebec—and I think that, in Quebec, francophones and anglophones alike agree that this is an area of provincial jurisdiction? The government comes here and tells us that he wants to invade this jurisdiction as well as that of manpower training and regional development.

Would the hon. member not say that the actual actions of this government are designed to dismantle this country and confirm Quebec and the people of Quebec in their resolve to gain sovereignty status?

[*English*]

Mr. Allmand: Mr. Speaker, in response to the questions of the hon. member, I must say that I am pleased that we have people representing the points of view of the hon. member in this House, because it gives us a chance to debate all possible views. If we did not have members of the Bloc Québécois here, I do not think the debate would be as complete. I do not agree with them, but I think it is important that in a discussion such as this, we should have views from all sides. Therefore, I respect his question.

I admit that it is frustrating. He says it has been over 30 years and they have not been able to achieve the constitutional amendments they have sought. That is not entirely correct.

I have been in this House for 25 years. I was here when arrangements were made for Quebec to opt out and formulate its own pension plan *la Régie des rentes*, which I mentioned already. It is more or less the same, but is totally controlled by Quebec and not part of the Canada Pension Plan.

I was also here when the arrangements were made with Quebec with respect to immigration so that they could control to a much greater extent their immigration policy, who entered the province as immigrants, how they were treated when they arrived, the promotion of immigration and so on.

There have been some other major accomplishments with respect to negotiations, not all constitutional, but within the present Constitution to allow Quebec to develop its own policies and to do things its own way.

Nevertheless, it is frustrating to propose and get constitutional amendments. Let me remind the hon. member in the House that it took almost 50 years for us to get our own amending formula in 1981-82. It took over 100 years to get a Charter of Rights and Freedoms in the Constitution. Some Canadians had been pressing for that for a long time.

I will refer to the United States. I say it took us a long time to get a Charter of Rights and Freedoms in Canada entrenched in our Constitution, but the women of the United States have been trying to get an amendment to the American Constitution on equal rights for women for, I think, over 25 years. That amendment has been put forward time and time again and has never received the necessary support among the American states and in the American Congress. So yes, it is difficult to get constitutional amendments because constitutional amendments must go through procedures which are more difficult to get.

I think it is wrong to suggest that just because Quebec does not have all the constitutional amendments it has sought, it has not achieved much greater control of its own destiny. It has in fact become one of the outstanding francophone communities of the world, one of the great cultural centres of French-speaking life in the world.

With respect to education, I totally respect Quebec's jurisdiction and the jurisdiction of all provinces with respect to education. I am not sure what happened. I know that in the Speech from the Throne, the government proposed certain measures with respect to post-se-

condary education, and that is an area the federal government has been involved in for some time.

If they made those proposals without consulting Quebec, then they are to blame. But in the past, under the Lesage government, I believe under the Johnston government and other governments, there were agreements with Quebec with respect to post-secondary education. Quebec always maintained its total jurisdiction, but they accepted in certain ways assistance from the federal government to deal with inequalities, minority language education, minority language training and so on. Yes, we must respect the present jurisdiction of the province of Quebec and all the provinces.

Yes, to get an amendment to the Constitution is a frustrating thing, but if you persist and you have the proper political will, you will get it.

[*Translation*]

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, it is an honour for me to have this opportunity today to speak on this motion to appoint a special joint committee to inquire into constitutional proposals for a renewed Canada.

[*English*]

Mr. Speaker, the special joint committee being proposed combines the more attractive features of a constituent assembly, with the accountability of our parliamentary system. Ultimately the Parliament of Canada will set the direction for our country and mould its future. Parliament represents the highest authority, the level within our political system where issues and problems are transformed into ideas and solutions. It is therefore highly appropriate that a parliamentary committee should be given the responsibility of taking the government's proposals for a renewed Canada to the people, and then returning with those proposals, reshaped, altered, modified and augmented for eventual disposition by this House.

This Parliament, this House of Commons, is the ultimate constituent assembly of Canada.

The committee will have the good wishes of all members for success, and I am sure the support of all sides of the House.

• (1650)

The task before the committee is a daunting one, but the reward is nothing less than a reunited, recreated and rejuvenated nation.

Canadians are eager to participate in this process and this committee will provide the mechanisms through which the hopes and aspirations of the people of Canada can be transformed into legislative reality and into the building blocks of Canada's future.

I am sure that all of us in this House believe we are the most fortunate people on the face of the earth. None of us would choose to live elsewhere. Unlike the crises that have gripped most other countries of the world, the current national debate in Canada is not over economics, not over religion, not over basic human rights. Rather, it is a debate over whether or not we choose to continue to live together, whether we have the capacity and the will to better understand one another's needs and concerns, whether we have the strength as a society to embrace and welcome those cultural, linguistic and other features that make us different as individuals and groups and yet, collectively, make us a far stronger, richer and more mature society.

As we all know, our country, Canada, is today going through one of the most critical development periods in its history. We have a vision of a rich and generous nation, one of great material wealth but more important, a country of very high human values based on the diversity of two official languages and many cultural origins, not the least of which are the aboriginal peoples which originally inhabited this land. It is a vision unparalleled throughout today's world, both in the richness of its potential and in the complexity of its application.

Unfortunately, however, for reasons which are obscure to most of us who live here and really beyond comprehension to people in the rest of the world who look upon Canada virtually as the promised land, our rich vision is clouded by preoccupation with the problems of attaining that vision. We have experienced confrontations about language, aboriginal rights, bigotry and racism, regional alienation, financial stability and, political responsibility.

Almost as we speak, in these very days there are forces gaining momentum that seek to destroy the vision of Canada that most of us hold so dear. Those forces must be confronted and turned aside, not with violence or

hostility, but rather with knowledge, understanding, tolerance, the strength of reason and the will to see our vision survive.

Each one of us has the responsibility to think through our own vision of Canada and to help identify with the cause of the nation as a whole.

For me, one expression which I can leave with you to describe my feelings as a Canadian is the sense of real freedom which is to be found in this country: freedom to exist and live in a land so vast, with lots of room for everyone; freedom to grow and develop in a society that is open and generous and tolerant; freedom to participate in a democracy that is just and accessible; and freedom to dream in a potential which is overflowing with opportunity.

Those are the feelings I get when I think about the unique privilege of being a Canadian. They represent a state of mind not easily attainable in most other parts of the world today where landscapes are becoming more limited, population densities more burdensome, societies more volatile, democracy more fragile and dreams more distant.

It is critical in my view that in any vision of Canada we must always be mindful of that special reality of individual freedom which it offers for each one of us. That is a value above all others and should be the foundation for any vision of nationhood.

Economic arguments may be important, but they will not carry the day. Understanding, sensitivity and an abiding desire to build our nation together are the forces that will shape our future.

Perhaps first and foremost we have to learn to listen better. We want to encourage an outburst of public interest, even fervour. Canadians are not given to flag-waving and public displays of patriotism, unfortunately. But most of us feel a deep love and affection for our country.

This special parliamentary committee will provide the focus for these feelings. This parliamentary committee will talk about Canadian citizenship, and I would like to repeat some words I said to this House a few weeks ago. There are few words used throughout the world which convey the vision of freedom and democracy more clearly than these words, "Canadian citizenship". It is often said, for example, that a Canadian passport is the most prized document in the international community. Yet among Canadians here at home there frequently seems an apathy about the values of our own citizenship, almost as though we have lost the meaning of our country, our sense of pride in it and our spirit of patriotism for it.

Surely this is a state of mind that we must revitalize for ourselves and for future generations of Canadians. Surely the common denominator of Canadian citizenship must be reinforced as the mantle under which the rich potential of our bilingual and multicultural heritage can be attained and fulfilled. That is a current challenge for each of us, more important now than ever before.

There will be no winners if we cannot resolve the serious differences that exist in Canada today. Our very independence would be placed in doubt and certainly, at best, our capacity for independent action would be greatly diminished. Nobody, except perhaps for a few impractical dreamers, wants a fractured Canada. But other nations have drifted in just that sort of a situation through indifference and lack of will to act courageously and intelligently when the time was right.

The situation is serious right now, but we have much in our favour. Most importantly, we are a civil people, used to coming to decisions after agonizing debate, soul searching, praying, cajoling and yes, even compromising. We have done this for nearly 125 years and I am convinced we have the capacity to do it, if necessary, for another 125 years. Our children and grandchildren have the right to expect us to make our very best effort, to put aside selfish, partisan interests and to work toward solutions that are acceptable to all parts of the country.

There will be only losers. All Canadians will be losers if we do not succeed in bringing forward a workable solution to the current impasse. We must redouble our efforts because our reputation as a stable and reliable nation is already suffering. This is costing all of us, every single one of us.

Some sincere, concerned Canadians have argued strongly for the convening of a constituent assembly. The government has not ruled out such a course, but adding another layer of legislative, consultative activity to our already complex system is hardly a sure cure for our ills. It would be no quick fix. Ultimately it will still be in Parliament where we will have to make the final decisions, no matter what course is chosen. We will achieve

nothing by abdicating our responsibilities to another body, especially when the groundwork has not been prepared. We would only delay the process, and this is a case where delay will not solve the problems. Delay will only make matters worse because those who would destroy our country are not marking time, they have momentum and their goals are to achieve separation before the rest of us can even catch up.

Whatever means are chosen to get us to our objective of a united, strong Canada, those means must have the full support and participation of all players. We do not go into a game like this with only part of a team; we must go in to win. I am convinced that this parliamentary committee that is proposed will have the resources, the substance and the power to bring about a consensus within Canada that will eventually lead to the unity of this country.

In the absence of time, I am going to cut my remarks short. I would like to propose a motion, seconded by the hon. member for Beauharnois—Salaberry:

That the amendment of the member of Papineau—Saint-Michel be amended by deleting all of the words after the words "House of Commons".

[*Translation*]

SPEAKER'S RULING

The Acting Speaker (Mr. DeBlois): So, the Chair finds, on the face of it, the amendment to an amendment put forward by the hon. member for Fredericton—York—Sunbury to be in order.

PRIVATE MEMBERS' BUSINESS

• (1700)

[*English*]

CANADA REFERENDUM AND PLEBISCITE ACT

MEASURE TO ENACT

Mr. Patrick Boyer (Parliamentary Secretary to Minister of National Defence) moved that Bill C-201, an act respecting referendums and plebiscites in Canada on questions of public importance, be read the second time and referred to Legislative Committee G.

He said: Mr. Speaker, I would like to speak about the Canada referendums and plebiscites bill by first saying a few words about its purpose. Second, I will make some comments about the sources of this bill and third, I will touch on the legislative process which lies ahead of us. I will conclude by making some general observations about the whole process of referendums and plebiscites in our country.

As to the purpose of Bill C-201, the Canada Referendums and Plebiscites Act, it is quite simply, to provide Canada, at our national level, with the enabling legislation under which direct voting could take place at such time as Parliament would see fit to submit questions to the people.

It is a fact that seven of our provinces have such enabling legislation on their books. In the case of Prince Edward Island, it is a very simple statute of five or six sections. In the case of Quebec, it is an extraordinarily comprehensive statute. It is time for us, in the national Parliament of our country, to likewise have available at such times as it may suit the nation's purposes and the wishes of the Parliament and the people of our country to have direct consultation on an issue and have the legislation in place for that.

There has been, of course, a lot of discussion in the country lately by many people as to whether we should have referendums or not. It goes back and forth. Sometimes it strikes me like the debate that might be going on among a number of teenagers about who should get a driver's licence. Nobody has ever checked to see if in fact there was a vehicle to take for a ride in the event that there was a licence to drive the car.

This legislation is the vehicle under which direct votes could take place and it would be a very fine thing for our country to have it ready and available when the need arises.

It is parallel to the situation with the Canada Elections Act which is the enabling legislation under which votes take place when there are elections to Parliament.

The purpose of this legislation is to set out all of the rules and procedures: who votes; how the voters' lists are prepared; how the questions are decided upon and the vote by both Houses of Parliament to approve them; the formation of two umbrella committees, one for the "yes" side and one for the "no" side; rules governing the raising and spending of money; rules dealing with broadcasting, advertising and campaigning. These are all of the procedures that, in the late 20th century, Canadians have

to come to expect in order to have fair and free electoral processes.

The bill is, as I say, comprehensive. It was first tabled back in July 1988 and I have resubmitted it on four occasions since. The Clerk, at that time, said that it was the largest private member's bill ever tabled in the House of Commons. Today is the first opportunity for the Canadian House of Commons to actually consider this legislation. I do not take particular pride in the fact that it is so big, but it is comprehensive in the same way that the Canada Elections Act is comprehensive. It deals in detail with all of the procedures that are the thicket of laws that guarantee freedom of the process, fairness of the process and finality of the outcome, because the results are achieved through prescribed and knowable procedures in advance.

With that in mind, I would like to say a few words about the sources from which this bill has been drawn. In the past, other members of Parliament have proposed that there should be plebiscites or referendums. Mostly it was in the form of a resolution or a motion to let the wording of the Canada Elections Act apply *mutatis mutandis*, great lawyer's words meaning, as far as and as possible and to the extent applicable.

It would be a very unfair thing for the Parliament of Canada to place the responsibility on the Chief Electoral Officer and all of his staff to decide in the heat of a national referendum or plebiscite campaign just how some of those rules from the Canada Elections Act ought to apply in the case of a direct vote. That is why, again, I think this step is very important for Parliament to proceed with.

[*Translation*]

As far as the sources on which this bill has been drawn, Mr. Speaker, one would be the bill the former Minister of Justice, Mr. Lalonde, under the Trudeau administration, tabled before the House of Commons when they decided to introduce such a bill allowing referendums and plebiscites to be held in Canada. The Lalonde bill was the result of a commendable effort on the part of the government of the day and all the lawyers in the Department of Justice to produce an excellent legislation. So, that is the first source.

The second one is the Quebec Referendum Act. This excellent piece of legislation contains provisions concerning both committees: the "yes" side and the "no" side. It also states that, at the time of passing the motion on referendums in the House, the Quebec National Assembly can decide what the exact wording of the question will be, vote a specific amount of money to both sides, the same for both the "yes" side and the "no" side. The same ideas are incorporated in this bill. By the way, it is interesting to note that the Quebec Referendum Act is in fact based on the British act respecting plebiscites on the issue of joining the European Common Market. So, this is the second source: the Quebec Referendum Act, an excellent act indeed.

The third source is the bill introduced by this government during the last Parliament, Bill C-79, including all the necessary amendments to the electoral process pursuant to the Charter of Rights and Freedoms and other amendments based on the annual recommendations of the Chief Electoral Officer of Canada. That is the third source. These provisions are included in the proposed bill.

I have also drawn on other information. For instance, the Direct Legislation Act of Saskatchewan, earlier in this century, contained provisions regarding advertising brochures. That is covered in this bill, but updated, with another provision regarding videos to allow both sides, the "yes" side and the "no" side, to put forward their arguments, ideas, philosophies, policies on both sides of the issue. I have also added a few ideas based on discussions I had with members of Parliament. As far as the legislative process is concerned, I have no doubt that a legislative process does exist. That is why I would like to see this bill referred to a legislative committee of this House, where it could be reviewed carefully and amended as it might seem fit. For instance, based on the recommendations of the Beaudoin-Edwards Joint Committee, it is entirely possible that ideas regarding referendums come out of the Constitution's amending process. If that is possible, it will also be possible for a legislative committee to make amendments and I see absolutely no objection to that.

• (1710)

With regard to referendums on a constitutional amendment, changes must be made to this bill. Although at the present time the constitutional formula requires the support of seven provinces with over 50 percent of the total population, amendments will be necessary but that can be done after the joint committee tables its recommendations.

That concludes my comments on the legislative process. So, I hope I can count on the support of members on both sides of this House so that there can be an exchange of ideas on the subject and recommendations can be made. All the better for Bill C-201.

[*English*]

I wish to make some general observations about the role of referendums and plebiscites in our country. I think it is important briefly to do this so that this bill is seen in some context apart from the context I have just described as the need to have enabling legislation.

The first point I would very much like to stress is that no one should see a referendum or a plebiscite as something which is threatening to our parliamentary institutions or rivalling the role of elected representatives.

I am an elected representative. I certainly am not trying to under cut the role that we as elected representatives have in the process, but it can be and it has in our history already been a process, the direct voting, which is complementary to the role of Parliament. It is supplementary to the role of Parliament. Particularly in this bill there is provision for continual close involvement of the Parliament of Canada.

I think there is a necessary safeguard there regarding concerns which have been expressed by many members of Parliament and by the right hon. Minister responsible for Constitutional Affairs enabling us to see, for example, the role of Parliament in voting to approve the wording of any question that would be submitted to the Canadian people, and also the role of parliamentarians setting up the *oui* committee, the "yes" committee and the "no" committee, the umbrella organizations.

This is not separate from Parliament. This is not antithetical to Parliament, but it is complementary and can be seen in a positive way, especially in light of our history with our two previous national plebiscites, over 60 plebiscites or referendums at the provincial level, and some several thousand plebiscites on municipal questions at the local ballot boxes which are certainly part of our democratic infrastructure in Canada. Some 94 or 96 separate statutes across our country at the provincial level accord the right to vote to citizens on specific questions.

The second point of a general nature regarding plebiscites has to do with their educational role. After the last election there was a lot of debate as to whether that election had been a plebiscite or a referendum on the free trade issue. In 1911 there was a lot of discussion as to whether that election had been a referendum on reciprocity with the United States, or in Quebec a referendum on the naval bill.

The fact is that when you are into a general election, a lot of issues are mixed together, as are the personalities of all the candidates and the party leaders. It is not really possible in our election system to have the narrow, specific focus for an intense period of four or six or eight weeks of a plebiscite campaign on a specific question. This is a great opportunity for Canadians to become educated as they hear the pros and the cons of the question before the country, and they have the personal interest of becoming informed because they know that next Monday that man and that woman have to go and mark a ballot with an *X* beside "yes" or "no". That is something which leads all of us into a positive educational process which I think can be very important for this country.

A third point, and somewhat related to that, is that the campaign period can be a time of self definition for individuals and for all of us as Canadians. For example, three years ago in Prince Edward Island, Premier Ghiz submitted to the people of that Island a question about a fixed-link crossing. Although there had been debate and in five elections people had been promised some kind of tunnel or bridge, this was the first time in the history of P.E.I. that the men and women, the citizens, had the opportunity to debate among themselves whether it was good, whether it would help the economy, but it would hinder the island psychology, and so on. They sorted it out, just as in Quebec 10 years ago when Quebecers had to sort out and self define *auto-définition* who they were and what it could mean to be a Quebecer or a Canadian or the two together. In the Northwest Territories the

people went through the same thing in deciding how to vote in their plebiscite to divide the territories.

This is very important. In our country too often people are permitted to stay passive spectators. I see this as a positive opportunity for Canadians to become active participants and in the process define more robustly who we really are as Canadians.

Another point has to do with the opportunity that a plebiscite campaign provides for ventilation of feelings within the Canadian public. Why wait three or four or five years between general elections to say to Canadians that is the only time that they are going to have to come out and really get involved in issues? I think anyone here in this House of Commons knows the current mood across our country. I think it is highly appropriate from time to time—not on every question, certainly not, but on those issues of transcending national importance—to put the question to people so that they can all become involved in this and get out of themselves and express publicly their feelings on the issue. Ventilation on some of these issues is a very important part of Canada's nature as a democracy.

A further point is that I think the participation of people is fundamental because Canada has a parliamentary system which is based ultimately on the consent of the governed and not the coercion of those people. For there to be consent on the way the grand lines of our public policy are proceeding, the greater the participation and the more robust our democracy, the more authentic that the participation and consent will be.

Finally, I want to say I do not think that holding referendums and plebiscites is a magic solution without risk. It certainly has to be exercised with wisdom and care and statecraft, but it is a part of what is possible for our country as a democracy. The history of our country shows that on balance, the uses of direct voting have been positive and constructive.

• (1720)

If members in the House can consider and support this bill we will serve our country well by providing the enabling legislation, so that when it is appropriate and when there are issues on which Canadians from coast to coast to coast must be consulted directly, we will not have an eleventh-hour flap about how it should be done. The rules will be there and we can simply invoke them in a calm and deliberate fashion, involving all Canadians in the future of our country.

[*Translation*]

Mr. Gérin: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: I wish to call your attention to Standing Order 29(3), Mr. Speaker.

The Acting Speaker (Mr. DeBlois): Indeed, we do not have a quorum. Call in the members.

And the bells having rung:

The Acting Speaker (Mr. DeBlois): There being a quorum, the debate shall continue. The hon. member for Kingston and the Islands.

Mr. Milliken: Mr. Speaker, I deplore this inane interruption.

Mr. Gérin: Order, Mr. Speaker!

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, the hon. member just said he deplored this inane interruption.

An hon. member: That's right.

Mr. Gérin: It is not inane to ask that 20 members out 295 be in the House, so that we can have a quorum. Not a single minister was here. There were only four Conservative members at the very most. If they are not interested in the proceedings of the House, well, that is not inane.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead has asked that a specific Standing Order be enforced and the Chair had no other choice but to comply. I would ask the hon. member for Kingston and the Islands to describe the situation in more parliamentary terms.

Mr. Milliken: Mr. Speaker, since I was not referring directly to the hon. member, I think what I said was correct.

Anyway, I would like to say a few words about Bill C-201, which was introduced by the hon. member for

Etobicoke—Lakeshore. I would like to commend him for his efforts. I know he worked hard to prepare this bill over 200 pages long. The bill is very significant for all Canadians, and specially for those who look to referendums as a means of passing bills in this country.

The hon. members took a lot of clauses out of the elections act, and I see that he has made a lot of changes to bring them up to date, and that is a good thing.

[*English*]

I want to say, however, that I have grave reservations about the whole idea of referenda in general. I set these comments aside from his bill. I feel that in a parliamentary democracy a referendum must be a very rare occurrence indeed. I do not believe that it is something that should be resorted to lightly or on a frequent basis. I believe that the electoral system we have in this country, with the system of representation that we enjoy, generally ensures that Canadians are well represented through their elected representatives in Parliament and in provincial legislatures.

I recognize, as I know the hon. member for Etobicoke—Lakeshore does, that in the last few years there appears to have been some breakdown in Canadians' views about their elected representatives. I realize that there is a sense of unease, a sense perhaps of lack of representation of divergent views in this place. I regret that that is so. I think it is in part because there is a perception that the government is not responsive to the views of Canadians. I agree that in some cases that is so. In others, I think the government can be responsive and occasionally is.

I have plenty of occasions to criticize the government and I am trying to avoid any of that in this particular debate, but I think that is part of the lack of confidence that Canadians feel in their system because, as I have said, they feel the government is unresponsive.

Certainly as a member of the opposition I would prefer that the government pay closer heed to our comments on bills in this House. On minor matters I feel that as a member I get quite good co-operation, by and large, from the government on matters relating to my constituents. However, on major issues and bills I feel that perhaps the views of the opposition warrant further consideration.

Certainly the arguments about referenda fit into this because the argument of those who believe that Parliament is not representative is that that lack of representation can be cured by running to the people with bills or with questions that can then be decided there. While occasionally resort must be had to such an unusual remedy, I suggest that the usual practice must always be that the elected representatives in Parliament make the decisions respecting the introduction and dealing with bills, that the legislation of the country is passed and adopted here in this House and in the other place in the normal legislative process, and that opportunities for public involvement in the legislative process be expanded, be looked at, rather than use the referendum as a means of deciding issues.

• (1730)

The difficulty with referenda that we have seen in recent years—and I think we can look at the recent Quebec examples—is the emotion that can be developed in a campaign so that rational discussion, rational thought and rational behaviour become more difficult. When it is practised on a nation-wide basis, it becomes increasingly difficult to control the running of emotions, the involvement of mass enthusiasm and perhaps discord and disillusionment with the system when people's aspirations or hopes are built up in the course of a campaign.

I see that as a peril and one that if it were to be used frequently would cause grave disorder in our country. I do not think it is particularly helpful as a means of resolving disputes because people simply do not sit around in referenda, if they are being held constantly, and vote rationally and discuss everything on a rational, plain and simple level. It becomes more involved and convoluted than that in most cases.

Nevertheless, I think that the bill the hon. member has introduced represents a very good effort at providing for a means of conducting referenda quickly and efficiently in Canada. It is a start. I would be glad—and I know our party would be glad—to have this matter go to a committee where it could receive further study. We could review each of the provisions and the clauses, possibly improve it in places, look for ways that it could be fixed and possibly improved further. We might not find many. We might be well satisfied on clause by clause study in committee.

I am prepared to say that we support the principle of the bill, subject to the reservations I have about the referendum generally. Of course I hope to have an opportunity later this day to discuss the possibility of a constitutional referendum in connection with the motion that we will be discussing in Government Orders later dealing with the establishment of the special joint committee to study the Constitution. Our party's position, as hon. members will have heard, is that we support a referendum on the findings of that committee. That is the position that we support. I am delighted to support it myself, and I hope to have something to say about it later.

However, in terms of this bill we support the effort. We commend the hon. member for Etobicoke—Lakeshore for his efforts. We are quite prepared to support the bill at second reading and send it to committee.

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I too am pleased to rise in debate this afternoon on this private member's bill, Bill C-201, presented by the member for Etobicoke—Lakeshore.

I also want to add my congratulations to the member. I know the amount of work that it takes for a member, perhaps with some advice from other places, to put together a private member's bill. In any case, the member certainly gets some credit for putting together a pretty thick document. As you know, it is over 200 pages and has entailed a certain amount of work. I think it is clearly an indication to the House of just how much concern this member has about this bill, a bill dealing with referenda and plebiscites. I congratulate the member for his initiative in this regard.

To that effect, we would certainly be pleased to support referral of the bill to a committee for review. In the general context, if I could just make a few comments about plebiscites and referenda, I do not think members of Parliament or parliamentarians should necessarily be afraid of referenda and plebiscites, but I think there is room for caution. I think the member who is presenting the bill mentioned that when he opened debate this afternoon.

At times having a referendum or a plebiscite can be seen in one regard as a way of letting us off the hook. That means then that members of Parliament or other parliamentarians in other legislative bodies really are not required then to make a decision, and it makes it easier for us. The position I would endorse, and which I think we should take a broader look at in committee with this bill, is to give people an opportunity through referenda or plebiscites to really have some citizens' democracy and make some decisions on major and significant issues in the country.

I think that is particularly important in regard to constitutional matters. Not to restrict it, but I think especially in constitutional matters there is room for us to consider that.

I would not be honest with myself or the House if I did not list what I think are a couple of cautions we have to watch for. While I am not an historian I can think of two recent examples where if the government of the day had the use of a referenda or a plebiscite. I refer to the events in the fall of 1970 in Quebec when, if the government of the day had used a referendum or a plebiscite to further its goals, the Government of Canada would have crushed Quebec. It is clear that the reaction of the government of the day was an over-reaction. As hideous as the events being dealt with were, clearly history has shown it was an over-reaction. I think we would regret in years to come that we would have all rushed to make a decision like that.

To some it is a cautionary note. However, for the people who were opponents of Meech Lake it would be fair to say that at the time when the Prime Minister and the premiers, while I am critical of the process, reached the decision on Meech Lake I suspect if a referendum had been put it likely would have passed. For some that would be turning their argument upside down. In some cases people who opposed Meech Lake endorse the idea of a referendum on the very idea that they were opposed to, and it would have likely, in my opinion, passed.

I will wrap up with the cautionary note. I think of the example in my province of British Columbia, and the member mentioned provincial legislatures having this power. We just had a flirting experience with this concept as the former premier was going to try to use referenda which would have been very divisive to settle land claims in British Columbia. I think he was flirting with a very dangerous situation there. He did back off because he realized what he was getting into.

Obviously if we collectively in our country or in a province make a decision, right or wrong, we then have to live with its consequences. Perhaps at a later date we would find out that we erred. Let us hope not, if that were the case. However, certainly the member has brought forward a concept that is absolutely worthy of study. That is why we can support it being referred to committee.

I would hope there is nobody who would not be prepared to debate the merits or demerits of referenda and plebiscites. That is clearly what the member is attempting to do with this bill. I for one would be pleased to participate in some of that debate and to use his bill as a way to discuss this matter in my riding.

I again congratulate the hon. member on the great deal of work that he has obviously done on this bill. I hope for all of us that it can be a learning experience so that we can all become better in governing our country and give all Canadians that opportunity.

Hon. Alan Redway (Don Valley East): Mr. Speaker, I appreciate the opportunity to say a few words in support of the bill that has been put forward by the hon. member for Etobicoke–Lakeshore. Bill C–201 is a very excellent bill dealing with referendums and plebiscites in Canada on questions of public importance. I stress that fact: questions of public importance.

• (1740)

I do not think I really have to tell you that the concept behind this bill of referendums and plebiscites is one which I believe, and I trust you believe as well, that the public of Canada is wholeheartedly behind. That is demonstrated by the participation in the Citizens' Forum on Canada's Future. The interim report of the Spicer commission, the Citizens' Forum on Canada's Future, quite clearly points out that the majority of the people who participated in that process feel that politicians lack awareness of their accountability to their constituents. As a result of that lack of awareness, the people of this country quite clearly put forward to the Spicer commission a number of ways in which that awareness of their accountability to their constituents could be put forward very forcibly to their representatives, you and I and the members of this Chamber.

One of those suggestions was, quite clearly again, the idea of a referendum. It was not just a referendum on everything. It was a referendum specifically on constitutional issues and on other major issues or, as the hon. member has framed it, on issues of public importance.

Of course this bill is particularly important at the present time when we are dealing with the issue of unity and the constitutional crisis that we now face. We have seen throughout the previous Meech Lake debate that as time went on Canadians became quite disillusioned with the process of dealing with constitutional change behind closed doors. They wanted a process in which they could participate. It is interesting to note that as time went on it was not just the Canadian public that felt that way. The participants in the process itself, premiers and prime ministers, had comments about the fact that we could never go through that kind of a process again. We had to do it differently.

How do you do it differently? I have not heard any better way suggested which involves all of the public of Canada than the referendum process.

You know that I put forward a suggestion for dealing with the constitutional process that involves a constituent assembly. I am certainly not the only one who has put that forward. A number of others have, but the concept that I have suggested would involve a constituent assembly which makes recommendations that are then submitted to a federally sponsored referendum, tabulated on a province by province, territory by territory basis. The results of that referendum would then be submitted to the federal, provincial, and territorial governments to be dealt with in accordance with the 1982 amending provisions of the Constitution Act.

In that way it seems to me we would make sure that all Canadians were involved in the process. We would also make sure that provincial and federal representatives were clearly aware of what the people who elected them thought on this particular issue. Not that it would be a one majority vote that would govern the whole country but, if it were tabulated on a province by province basis, the provincial and federal representatives would clearly know how their electors felt on those issues.

The problem of course with the process that I have suggested is that we do not have any legislation in place for a referendum. That is where I have to congratulate the hon. member for Etobicoke—Lakeshore for putting

forward this bill at what I think is an extremely significant time for legislation of this sort. It is not the first time, as the hon. member has pointed out, that we have had referendums in this country. It is not the first time that there has been legislation at one level or another. We do have it at provincial levels; we do have it at municipal levels. We had a referendum in Quebec in 1980 on the question of separation. We have debate going on right now in the National Assembly of Quebec on Bill 150 on the issues of sovereignty and having a referendum in October 1992. We have had referenda in this country on conscription in the First World War and the Second World War. There is nothing revolutionary about this concept. It is something we have done before. There is no reason why we should not have legislation in place to do it again and do it when we need to do it.

The fact is other countries have this in place. To the south of us in the United States some 30 separate states and the District of Columbia have this in place. They go beyond the scope of this bill. They do not go to referenda that are sponsored by governments, but to referenda that electors themselves can initiate by petition. The state of California which has a population of 26 million, exactly the same as Canada, has such legislation in place. It is called direct democracy where electors can petition to have a question put on the ballot. If 5 per cent of the people who voted in the last election for governor of the state of California had petitioned then that question would have had to have gone on the ballot. The most famous of those was Proposition 13 in the state of California dealing with the issue of property tax reform. In the 1990 state election in California there were actually 14 separate propositions or 14 separate referenda on the ballot. California is not alone in the United States. Many of the large states have that sort of thing as well.

What we need is something similar in Canada. We have heard the critics this evening. We know there are critics of this process who feel that this might be a way for the majority of people to run rough-shod over the minorities. It has been said that we elect members of Parliament to represent us because they can look into the details of all of the issues that require legislation. Of course there is the Edmund Burke theory of democracy that says once we are elected we are here to do and exercise our own judgment and to heck with everybody else until the next election.

All of these arguments and all of these criticisms have a certain amount of validity. At the same time the concept of the referendum has an enormous amount of validity in it as well, particularly when you are dealing with important issues. Surely an issue like the Constitution, if nothing else, is the kind of issue we should be dealing with in a referendum, particularly if we have a federally sponsored referendum as would be provided by this bill tabulated on a province by province basis.

The only way we could do that is to have legislation for a referendum in place and that is why it is so very important for this House to pass this bill this evening.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to start by congratulating the honourable member for Etobicoke—Lakeshore who tabled this bill which, I am sure, comes at the right time in our history, a time when many Canadians ask themselves major questions about the process triggered by the constitutional reform proposals.

Mr. Speaker, this whole debate is about a constituent assembly, a referendum, a plebiscite— In any case, I just want to say a few words. I will be brief about the proposal before us, Bill C-201, an Act respecting referendums and plebiscites in Canada on questions of public importance.

Mr. Speaker, this bill, which is rather voluminous, contains provisions that would allow the consultation of Canadians on numerous issues, including constitutional changes. It is on this particular aspect that I would like to make a few comments, because Canada does not have a lot of experience in that field.

We have had two plebiscites. Plebiscites, as they are defined in the bill, are consultations that do not have binding force for the government, as opposed to referendums, which do have binding force. The definition of the word "referendum" on page 8 is as follows:

> "referendum" means a direct vote by which the electors decide, with binding force, a question submitted to them pursuant to a proclamation issued on the paragraph 10*a*), *c*) ou *d*);

By contrast, Mr. Speaker, a plebiscite is defined— In any case, a plebiscite does not have binding force. I have the definition in English, I will read the English definition:

• (1750)

[*English*]

"Plebiscite means a direct vote by which the electors express without binding force their wishes or opinions on the questions given to them pursuant to proclamation under paragraph 10(b) or (d)".

[*Translation*]

Mr. Speaker, for those who have forgotten, the Canadian experience goes back to 1898, when Canadians were consulted on prohibition, alcohol. You will recall that the population was consulted and, if I remember correctly, 51 per cent voted in favour, and 49 per cent voted against, more or less. Therefore, the government did not do anything. They dropped the issue and it became history.

Canadians were consulted again in 1942. This time it was about the conscription. The results were rather decisive, since 65 per cent voted for it, while some 35 per cent voted against it. Because of those results, it took two years before the government decided to do something and, in 1944, Mackenzie King used the conscription as a means to force or incite Canadians to participate in the war effort.

Mr. Speaker, these two plebiscites in our history have left bitter memories in the minds of the Canadian population. For us, French Canadians, I should say Canadians speaking French, it was synonym with division among groups, among families, among people, among regions and among provinces. This caused numerous problems. Therefore, I would be somewhat hesitant to hold a referendum or a plebiscite regarding a Canadian issue. Anyhow, seven provinces already have legislation allowing for going to the people. It is probably not a bad thing that a country like Canada considers the need for such a legislation. I congratulate the hon. member for Etobicoke—Lakeshore for putting this before the House.

Personally, as I said, I have serious concerns. I believe that a referendum binding on the government ought to be on a question worded with extreme caution, a short and clear question, a question without ambiguity of any kind. Maybe we could go to the people to ratify an accord or a constitutional amendment which has been carefully explained. But this is a prerequisite.

Second, I think it would be useful that the question, when put to a referendum or plebiscite, be endorsed by the political parties and that, as I said a while ago in another intervention, the question be such that it does not diminish existing rights and fundamental rights of Canadians, and in particular minority rights.

I will end my remarks on this, I think that any question put to a referendum or plebiscite should require a double majority. By that I mean that the majority at the national level might prevail, but that where a regional element is involved the four regions—Ontario, Quebec, the East and the West—of the country would have a say. This kind of double majority, along with the other conditions, might convince me that we could use a plebiscite or a referendum to get the view of the people of Canada on a given issue.

Mr. Speaker, I think that it might be advisable to refer all of this matter to a committee. I will support the motion for second reading so that this bill can be read and referred to the committee.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am very pleased to rise on Bill C-201 brought forwards by our colleague who, I am sure, has worked very hard on the concept of referenda and plebicites.

Mr. Speaker, first, I would like to congratulate the hon. member for the work he has done. But I suggest that the government choose a strange moment to table that proposal now before the House. We know that the government wants to pass, on this very day, a legislation to establish a constitutionnal committee without the participation of a large segment of Quebec population and we are most suspicious about the timing of such a move now that Quebec has planned its own referendum by the fall 1992.

We all remember that in the speech from the throne, the government of Canada led us to believe that it might introduce a legislation on referenda. Thus, the government should have had the courage to take that responsability on itself instead of trying to pass that legislation throught the back door by way of a private member's bill.

Personally, I am not opposed to the concept of referenda and plebicites, but what I am opposed to is the idea of using them as a mean to create a diversion. That exactly the position into which the governement cornered itself. The governement was concerned with the outcome of a Quebec referendum and it was looking for a means of diversion that would confuse everybody and allow it to ignore a will clearly expressed by all Quebecers.

Furthermore, Mr. Speaker, as far as Canada is concerned, one has just to refer to Canadian history to be reminded that each and every Quebecer is truly suspicious when it comes to a national referendum. We all have been through the upheaval of the conscription and if we were not personally, we know what it has been. So, I think that all those who know what this country is all about realize that no concensus is possible on any issue whasoever.

Therefore, we find that there is reason to be suspicious, even more so now that we have heard the leader of the Liberal Party who said, when he went to Quebec City, that a national referendum could carry regardless of the will of the Quebecers! That, Mr. Speaker, makes it more suspicious with the sight of the three traditional federal partys coming together today on the opportunity of holding a national referendum in an attempt to "skin off" Quebecers.

Mr. Speaker, the trustworthiness of the hon. member who accomplished such a giant work is not being questioned. What is being questioned here is the trustworthiness of the government and of the official opposition which are looking for every possible means, with the help of the New Democratic Party, to prevent men and women in Quebec to express themselves clearly and to get to their sovereignty according to their own schedule without being subjected to the threat of a national referendum as proposed by the hon. member for Beauséjour.

It is obvious that such a measure is designed to be used as a blackmailing tool now. If the principle of a referendum is valid today, why was it not two, three or five years ago? Why that proposal today, at this very moment, when Quebec has decided on a course and timetable, do we want to pass this legislation on the sly.

Mr. Speaker, members of the Bloc Québecois will not put up obviously with a national referendum. We will, of course, fight that concept as of now. It being 6 o'clock, Mr. Speaker, I think we could resume this debate on some other occasion.

The Acting Speaker (Mr. DeBlois): The period devoted to the study of private members' business has now expired.

[*English*]

Pursuant to Standing Order 91(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

NATIONAL UNITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE

The House resumed consideration of the motion of Mr. Clark (Yellowhead) (p. 1912); and the amendment of Mr. Ouellet (p. 1924).

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I wish to say a few words in this debate today.

Before us is a motion to establish another parliamentary committee to look at the next phase of constitutional change in this country. I want to say at the outset that the priority for all of us, not only members of Parliament but Canadians, is to ensure that we find a package and a mechanism to keep this country together.

The most important thing is Canada. The most important thing is national unity, and the most important thing is trying to find that accommodation, that package to keep this country together. That is the most important issue.

The only way we are going to do that is to build a national consensus in all parts of this country, in the provinces and the territories, and among all peoples of this country with a package that I would call the Canada round which would make all parts of this country at home in Canada, and want to stay together. That is the objective.

I hope every member of this House would put the country first before his or her political party. The way to do that and ensure that has caused some differences in this House. We suggest in our party that the most likely way of having a successful conclusion, a national consen-

sus, is to establish a constituent assembly. It is not good enough to have only another parliamentary committee.

A parliamentary committee in itself does not well represent all the people of this country. There are many people who are under-represented in the parliamentary system. Look around the House. We do not have anywhere near gender equality in this House. There are very few visible minorities. The ethnocultural community in Canada is under-represented. There are not the number of aboriginal people there should be proportionate to their numbers in Canada. There are many other social groups, particularly poor people in this country, who are vastly under-represented by the parliamentary system.

We are saying as a party that we cannot support the motion before us because it is exclusively a parliamentary committee. Instead of that, we have talked often in our joint committee on amending the Constitution, in this House and across the country, in publications and so on, about the need for some sort of constituent assembly.

As a member of the amending formula committee, I can tell you that the overwhelming majority of Canadians who appeared before our committee said that we need a constituent assembly. We have to broaden out the process and have more than just members of Parliament as part of that process.

We are saying as a party that parliamentarians have a very important role to play. As parliamentarians we should represent about half of that constituent assembly. We then fill out that constituent assembly by adding on the other half representing the important minority groups in this country, in particular the aboriginal people, the ethnocultural reality of Canada, the official language minorities and the visible minorities. They are very important players. Those four or five groups are people in this country who are minorities under-represented in this House. They should be part of that constituent assembly.

In addition, we must make sure we have a proper balance between farm groups, business groups, labour groups, fishing groups, poor people and other people of this country. Gender parity would be easy to strike if we had a constituent assembly.

The idea of a constituent assembly is not a radical one. There have been many constitutional assemblies around the world after a revolution, when new nations are formed or when a nation is in a crisis situation. Our country now is in a crisis situation. We need more than just the parliamentarians or politicians to try to pull together that national consensus.

There must be at the end of the day a national consensus involving the major political parties and the major players at both the federal and provincial level if we are to succeed.

The reason for that is we have an amending formula now which for most amendments requires agreement of the federal Parliament along with seven of the provinces representing two-thirds of the population of those provinces for that amendment to carry. For five more important things, including the amending formula itself, we need unanimous consent.

It is obvious that even for the legal and technical amending procedure of the Constitution of Canada what we need in this country is a national consensus on a package. We are much more likely to achieve that national consensus if we have a broader group participating and pulling together that national consensus.

If we have the aboriginal people represented as fully participating members of that committee, or that constitutional convention or whatever we call it, we are much more likely to have the support of the aboriginal people of Canada and not get into a situation like we did last year in Manitoba in which a member of that assembly felt he had to try to stop the Meech Lake Accord because it did not address the needs of the aboriginal people of Canada.

I appeal to my friends across the way, to the minister in particular, to consider the arguments of the constituent assembly: the overwhelming majority of people who appeared before the committee on the amending formula and process—

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, the member for Yorkton—Melville has made an excellent speech which deserves

the government's attention. I would like to call your attention on the fact that there is not one minister in the House and that the member made very interesting remarks which I think the government should have listened to a long time ago. His contribution is always remarkable, but there is not one minister who has the decency to be present now in the House. Where is the minister of Constitutional Affairs?

The Acting Speaker (Mr. DeBlois): I recognize again the member for Yorkton—Melville.

M. Nystrom: Mr. Speaker, I wish to thank the member for Shefford for his speech.

[*English*]

The reasons for a constituent assembly are the following. First, as I said, the overwhelming majority of witnesses who came before our committee wanted a constituent assembly. Second, public opinion in this country wants a constituent assembly. If one looks at the most recent public opinion polls, we see that approximately 70 per cent of the people of Canada want a constituent assembly, they want to open up the process.

Third, a growing number of premiers are in favour of a constituent assembly or are very, very open to the idea of a constituent assembly. I think of Premier Rae in the province of Ontario, I think of Premier Devine in Saskatchewan who is open to the idea, Premier McKenna, Premier Cameron of Nova Scotia who is open to the idea of a constituent assembly, and I think of Premier Wells in Newfoundland who has been calling for a constituent assembly. These premiers are either in favour of a constituent assembly or they are open to the idea of opening up the process and working in that direction.

An hon. member: What about Bourassa?

Mr. Nystrom: What about Bourassa? Mr. Bourassa said no to a constituent assembly.

What we in our party are saying is that you cannot isolate any province or any part of the country. What we are saying in our party is that this constituent assembly must be drawn from the four or five groups that I have mentioned. If we cannot get all of the provinces to send MLAs or MHAs or MPPs to an assembly, then we should not have any provincial representatives there, because we cannot afford to isolate any one of the provinces. We made that very, very clear from the outset.

Like Bélanger–Campeau in Quebec, we had a committee there of 18 members who were elected in the Quebec National Assembly, and then through a consensus of the two parties there was the addition of another 18 members who represented a good cross-section of Quebec society. It can be done in the province of Quebec and it can be done in the rest of the country as well, including people from all regions, territories and provinces. If the provinces do not want to participate officially, there are a lot of people who have experience at the provincial level who could be on the constituent assembly.

[*Translation*]

For instance, I am thinking of Raymond Garneau who was a member and a minister at the provincial level, in Quebec, in the previous Bourassa government. He has a lot of experience and could represent Quebec and the Liberal Party of that province. There are many people in the province of Quebec who can very well represent that province, as there are many in Saskatchewan and elsewhere in Canada.

[*English*]

These are the reasons we need a constituent assembly, to open up that process.

We have always said in our party that the constituent assembly would not be enshrined in the Constitution. We would not want a constituent assembly to deal with all constitutional issues from here on in: whether we should enshrine property rights or aboriginal rights or change some of the rights in the Charter of Rights and Freedoms; dealing with the notwithstanding clause or with other issues of importance, or saying that it should be a one shot deal.

• (1810)

We are in a serious situation of national disunity in this country and because of that we need to have a constituent assembly at this time, but it should not be a permanent part of the amending process. We have made that very clear. It should not be enshrined in the Constitution as part of the amending process and we have made that very clear as well.

The constituent assembly would do no more than this parliamentary committee is supposed to do. A constituent assembly would try to draw together that national consensus, the accommodation that will keep this country one.

That is exactly what the parliamentary committee is supposed to do as proposed by the government across the way. It is supposed to draw together a national consensus, to draw together a package to keep this country united.

All we are saying in our party is that the composition of that committee must be different than what the government envisions it to be. The composition of that committee must be a mixture of parliamentarians and non-parliamentarians. The ministers across the way say they do not want non-elected people on it and that it should be a parliamentary committee.

In the motion presented to us from the government it is proposing that there be 20 senators on that committee but senators are not elected. Senators have no mandate from their constituencies, from their provinces, from their regions. They are not elected. They are appointed by the Prime Minister of the day.

As individuals, I know a lot of these senators can make useful contributions, like Senator Beaudoin or Senator Gigantes *du Parti libéral*. As individuals they are very good people, but they are not accountable to anyone. If the government can appoint 10 non-elected senators then why can't we, as the House of Commons, make sure we appoint the Grand Chief of the Assembly of First Nations, for example, as a member of the constituent assembly and have full voting rights in that assembly like the member of Parliament from our party or the Conservative Party or the Liberal Party of Canada.

I ask the members of this House to open up their minds to the possibility of flushing this out so that the people of Canada feel some ownership to this constituent assembly, so they feel some ownership to the process that we are to embark on come September of this year.

I believe that the chance of success will be a lot greater if we had as fully participating members the aboriginal people of Canada, people representing linguistic minorities, more women, visible and multi-racial minorities, ethnocultural minorities and the like. I think that is the way to go.

We cannot risk failure. The Meech Lake Accord failed and a lot of people in this House, including the overwhelming majority of members of all three national political parties, were in support of the Meech Lake Accord.

It failed because of a couple of reasons. It failed because there was a perception in the country that the people did not have ownership of that particular accord, that they did not have access to the process, that the accord was negotiated by 11 First Ministers and presented to the House of Commons and to the various provincial legislatures as a *fait accompli*.

We could not change anything. We could not amend anything. It was called a seamless web.

I would assume that everybody has learned some lessons from that experience and that the next package will come to us as a package that will be amendable by members of the House of Commons as well as by the legislative assemblies of this country, including the Quebec National Assembly.

It seems to me it would be a lot easier to build that consensus if not only members of Parliament, but non-parliamentarians are also part of the process. There is no law and there is no precedent in this country that says that the Constitution belongs to the parliamentarians. There is no law in this country that says only the parliamentarians should be involved. There is no law that says only elected parliamentarians should be involved. There is no law that says senators should be 40 per cent of that particular committee.

I remember last spring when Jean Charest was the chair of the committee looking at a companion resolution for the Meech Lake Accord. We had 15 members on that committee. There were no senators. They were all elected members of Parliament representing the three parties of the House. So why do we bring back senators into this particular operation?

In the past we have also had non-members of the House of Commons involved in parliamentary committees. I remember the former Liberal member from Cochrane, Keith Penner, chairing a committee on aboriginal rights a few years ago and the participating members of that committee were people representing the aboriginal peoples of Canada.

We do have a precedent for that happening in the past. I say to the government across the way: "If you really want to be non-partisan, then do not be afraid to lose your government control of that committee". I think that is the big problem.

If we had a committee that was made half of parliamentarians and half non-parliamentarians, there would be a government minority on that committee. At the end of the day, for the new agreement to pass through the amending process, it has to be reflective of a national consensus. Let us start off that way and try to have a committee that is reflective of the national reality of this country, one that mirrors Canada and the real world.

I conclude by saying that to us, in our party, the process itself is so important that we have to vote no to this particular resolution to establish a committee made up uniquely of parliamentarians. We feel that if we set up a committee made up of parliamentarians only, we jeopardize the very process itself and the exercise, which is to find a national consensus and a package that is acceptable to all political parties in this House and different political parties across the provinces and territories of Canada.

If we can enhance the possibility of a national consensus by bringing more people into the committee, then why not open up our committee and involve more than just parliamentarians? That is the simple crux of the argument because the important thing is to keep this country together.

Having travelled the country extensively in the last four months as a member of the committee on the amending formula, I can say to you that I am much more optimistic now than I was a few months ago.

[*Translation*]

I believe, Mr. Speaker, that there are changes not only in the province of Quebec, but also in the rest of Canada. I believe that most Canadians want to reach a consensus and find a national accommodation, and I have a feeling that most Quebecers would accept a renewed federalism if Quebec is recognized as a distinct society, if we can do something about the division of powers and other important matters for Quebec and its people. I also have the impression that the nine other provinces and the two territories are now more open than five or six months ago. I believe that most Canadians outside Quebec want to find some accommodation, that they wish to find a compromise with Quebec in order to keep the country together and strong. I also have the feeling, Mr. Speaker, that most Canadians want to see the three national parties and all other political entities of the country as well as all politicians work together in order to find a solution to this national problem.

[*English*]

I believe we can find that solution. The Canadian people want, above all, Parliament to lead the way, Parliament to put aside some of the partisan fights and clashes we have in this place every day as a natural, normal part of our endeavours, and put the country first and find that national consensus and national bargain.

I know it is there. Even last spring, with all the difficulty of Meech Lake, through the parliamentary committee chaired by Jean Charest we had a unanimous report that came up that we thought was a national consensus and a national compromise. It was scuttled because of certain events, including the defection of the now leader of the Bloc Quebecois from the government benches and also of the intransigence of some of the first ministers to consider some new options on how to solve the national crisis.

Let us not let it slip away again. We may not have another chance. This may be the last chance. I argue and we argue that we can increase and enhance the possibility of a solution to the problem that tears this country apart if we broaden the process and have, instead of just a parliamentary committee, a constituent assembly of parliamentarians and non-parliamentarians, working together to try to build a truly national consensus and find a solution to help this country get over its constitutional problems and get on to the real issues facing Canadians in the modern world.

• (1820)

Mr. Milliken: On a point of order. As the hon. member for Shefford pointed out a moment ago, there is still no minister of the Crown in the House. We are discussing Government Orders and I would suggest that perhaps the House adjourn until a minister arrives.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order please. I must recall all members of this House that the presence or a point of order should not be raised on absence of a member of this House.

Mr. Gauthier: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Ottawa—Vanier, on a point of order.

Mr. Gauthier: You are absolutely right, Mr. Speaker, when you say that we are not allowed in this House to refer to presence or absence of a member. But as the member for Kingston and the Islands said so well, we are dealing with a government business, something very important for Canada, and yet since 3.30 p.m. this afternoon, no Cabinet minister has been seen in the House. Mr. Speaker, I find this totally unacceptable.

The Acting Speaker (Mr. DeBlois): Order, please. I think the rules are very clear, and I repeat, members are not allowed to refer to the presence or absence of a member in this House. Questions and comments.

Mr. Hudon: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs rises on a point of order.

Mr. Hudon: I want to remind you, Mr. Speaker, and remind my hon. colleague that the President of the Queen's Privy Council for Canada and Minister responsible for Constitutional Affairs was present in this House until 5 p.m.

Mr. Gauthier: That is exactly why we should not raise the question, but if the member insists, I will tell him that since 5 p.m., and it is now 6.20 p. m., not one minister has been seen in this House, and we are dealing with government business—.

The Acting Speaker (Mr. DeBlois): Order, please. I think that you have conveyed your messages one to another, and I now call for your co-operation. Questions and comments. The hon. member for Laval West.

Mr. Ricard: Mr. Speaker, —

Mr. Langlois: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Manicouagan on a point of order.

Mr. Langlois: Mr. Speaker, I apologize, I am not in my seat.

The Acting Speaker (Mr. DeBlois): Questions and comments. The hon. member for Laval West.

Mr. Ricard: Mr. Speaker, I listened carefully to the speech of my colleague from the New Democratic Party who agreed in favour of a constituent assembly. I think his main argument was that there are ten senators and fifteen members of Parliament on the committee that the government wants to create. He was right when he said that senators are appointed by the government in place, that is by the Liberals when they were in office or by the Conservatives since they came into office. I am convinced that if the New Democratic Party had been in office recently, they would also have appointed senators to the Senate.

On that commission that represents people from all over Canada, senators are still Canadians, people with Canadian citizenship. So, I wonder why the NDP member from Saskatchewan is against having some senators on that commission? I would ask him to explain to me why he is against that. Those are full-fledged Canadians just like us, and I am proud to participate in this debate and also in that committee which will set the outline of our political future, of the future of Canada.

Mr. Nystrom: The answer is very simple, Mr. Speaker, because the Senate of Canada is not elected, and if there were non elected senators—

An hon. member: They are Canadians.

Mr. Nystrom: Yes, they are Canadians, but Mr. Ovide Mercredi, the president of the native groups, is also a Canadian and the mandate of the native group in our country— if a senator could be a member of that committee that is non elected, why not have Mr. Mercredi, who is the president of the Canadian native group? I simply say that we can have nine or ten non elected senators on our committee, even if I have a lot of respect for Mr. Beaudoin and Mr. Gigantès. But if we can have somebody who is not elected at all, who comes from the Senate of Canada, why not have Mr. Mercredi? Why not have a business leader? Why not have a Canadian union leader? Why not have—

[*English*]

Why not have gender parity on that particular committee? Let us open up the process. That is all I am arguing for.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I listened very carefully to the speech by the hon. member for Yorkton—Melville who is known on this side of the House as a friend of Quebec.

He made several speeches in the same vein during the debate on Meech Lake, and I must say I enjoy my exchanges with him.

However, one of the points he made was that we had to have a constituent assembly to represent all minority groups, all visible minorities in Canada. This is a very high-sounding principle, Mr. Speaker, but I have some trouble with it.

For instance, there are about 75 different nationalities in Canada, if I am not mistaken. Does the hon. member mean that a constituent assembly would have to have a representative of each of those nationalities, including the Vietnamese community, the Italian, the Chinese, the Mongolians, in fact, every country in the world? Is that what he wants? Is that how he sees this assembly?

Mr. Speaker, I think we are wasting a lot of time looking at the kind of forum we need to deal with Canada's constitutional problems. Perhaps we should go on to discuss the problem itself and not waste our time trying to decide what would be the best formula for this forum.

My second point is that a constitution is important to a country. Everybody says so. However, I don't think we should get carried away, Mr. Speaker.

I remember when I was at the University of Ottawa, my professor of Political Science told our class one day that the most impressive constitutional document on this planet was the Constitution of the Soviet Union. However, if ever a country made a complete mess of it, it certainly did, Mr. Speaker.

That being said, would the hon. member for Yorkton—Melville reconsider his demands for a constituent assembly and opt instead for the Parliament of Canada, a constituent assembly lawfully elected by Canadians every four or five years?

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the hon member for Saint-Maurice is negative about the concept of a constituent assembly, but the Bélanger-Campeau Commission in Quebec is a constituent assembly. It was a group of 18 elected representatives and 18 non-elected members, and this commission found a consensus in the province of Quebec and made a number of proposals on behalf of Quebecers.

We suggested having a similar model at the federal level, to have a process that is more open or more democratic for Canadians. Like the Bélanger-Campeau Commission, which had members representing labour, the business community and many other Quebecers. If I remember correctly, they also said they offered a seat to native groups in Quebec, but the offer was turned down. In any event, this group was a representative sample of the population of Quebec. We can do exactly the same thing here at the federal level, across Canada.

We have many organizations.

[*English*]

He mentioned the ethnocultural groups, the Chinese Canadians and the Vietnamese Canadians. There is the Ethnocultural Council of Canada. Let it decide which two or three or four members should be in a constituent assembly. Our party suggests 80 to 100 people on that constituent assembly.

One of the premiers has suggested between 70 and 80 people on a constituent assembly. There are national organizations representing aboriginal people and ethnocultural people. There are linguistic minorities—

[*Translation*]

I am thinking of Francophones outside Quebec, of Alliance Quebec which represents English-speaking Quebecers in the province of Quebec.

[*English*]

There is no reason why these groups cannot be invited to name one or two members to this particular assembly. This would open up the process. I do not think it is an idea that is all that radical. It is in tune with about 70 per cent of the Canadian people who want it, according to all the public opinion polls. It is certainly in tune with what the witnesses were calling for before the committee which this House struck last December to look at the amending formula and the process of constitutional change.

Mr. John Manley (Ottawa South): Mr. Speaker, I am a little surprised by some of the examples that the member for Yorkton-Melville has given us. He cites Belanger-Campeau as an example of a constituent assembly. However, it certainly did not represent gender parity and

was by no means concerned with hearing the voices of aboriginal peoples as members of that committee.

• (1830)

On the other hand he gave us the example of the Charest committee as being an example of when a committee system worked, when Parliament worked. However, it was not his type of constituent assembly since it did not contain any non-elected members.

This confuses me. I would like to put to him very quickly the concern that I have. I understand where he is coming from and I hear the same voices that he hears. However, the concern I have is that it would appear as though there is a movement away from a representative democracy as a system for brokering and giving voice to all of the interests in Canada. That concerns me.

The second thing that concerns me is how he thinks we could possibly respond to the time constraints that are upon us if the very mechanism for dealing with the issues before us requires invention and creation.

Mr. Nystrom: We cannot risk failure. A constituent assembly of 80 to 100 people would not take much longer than the committee across the way. It is likely to have a better chance to succeed in creating a national consensus, of being inclusive and ensuring that aboriginal people and others are fully participating members of that assembly.

The other point he mentioned concerned Bélanger-Campeau. It was a constitutional convention of a sort and there were parts of it that I too did not like. Of course we need gender parity. I made that very clear in my remarks. If we had gender parity maybe we would have an easier chance of finding a national consensus.

The member talks about representative democracy. I am not sure non-elected senators make a useful contribution to that because they are not accountable to anyone, they are not elected. I think we start by saying that if we want something more representative, perhaps we should just have, in addition to members of Parliament, people representing big organizations in this country and small minority groups from coast to coast.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I am very pleased to rise today in the House of Commons to speak to the motion put forward for our consideration of appointing a special joint committee of the Senate and the House of Commons to inquire into proposals for a renewed Canada.

First of all, I have to point out that the constituency that I come from is in the Northwest Territories. The national constituency that I deal with is aboriginal in my capacity as the critic for the Liberal Party of Canada.

It was very clearly put before the Beaudoin-Edwards committee that there are six principles which should be dealt with in dealing with the whole constitutional issue. That was put forward by the Minister of Justice of the Northwest Territories. He indicated that the mandate is one that is very integral to the success of the whole inquiry. He said that governments must have a clear mandate to proceed with any fundamental changes to the Canadian Constitution.

He then went on to the role of the people. Any new amending formula, he stated in that specific case, must guarantee that Canadians will be involved at all stages of significant constitutional amendment.

He then went on to say that the role of legislatures, any new amending formula in that specific case—but we are dealing with many other things here—must ensure that a significant majority of members of each legislature are required to ratify amendments. He suggests that a free vote would be part of this approach.

Any new amending formula must clearly and carefully balance the role of the executive arm of the government with the role of Canadians and their elected representatives sitting in legislatures.

He said that aboriginal nations must have a guaranteed role in any constitutional amendment process affecting aboriginal interests.

Then he discusses the role of the territories, because the territories are an extension of the federal government. They are indeed not provinces. They have an act under which they operate. It is a very unique situation posing very specific challenges which constitutional experts and the legal community have to confront in dealing with the territories' aspirations to fit into their rightful place in nation building and within Confederation, such as it is.

He states that in this case any changes to the current amending formula or any new formulae must provide for the involvement of territorial residents and their elected representatives in matters that directly affect constitutional development in the territories, and the role of territorial residents in national affairs.

Any new amending formula that might involve regional representation must recognize the Northwest Territories and the Yukon as distinct regions within Canada and not as interest groups to be consulted in some other less formal way. I particularly feel that we have gone through a proliferation of committees and groups.

I sat on the Charest committee with our chairman Mr. Charest and a number of my other colleagues. We criss-crossed the country, consulting with people. I felt that in a time of great challenge we demonstrated some leadership and the spirit of compromise, but our advice was not heeded. The particular process we engaged in was pretty conciliatory. It is not that we agreed on everything.

I think there is a lot to be learned from engaging in this kind of work as parliamentarians and legislators. We get to know the people and their concerns, and there are some very diverging views across this country that are difficult to reconcile with the best of expertise or any legal body of opinion that exists out there.

I must say we demonstrated that we could agree because we have come to some consensus on a number of very difficult issues. We were charged with the responsibility of responding to the New Brunswick resolutions and I guess ours was to pick and choose. The picking and choosing, although there was a list of recommendations, were not the simplest things to do because of the diversity that exists and because when you are dealing with the heart and matter of a country it is generally the extreme that tends to prevail. There were some very differing opinions on that committee, but from my experience I would say that anything dealing with the future of this country is worth engaging in.

I have a number of concerns. With regard to representation on the committee, I would like to see greater gender equality, I would like to see a far greater role for women, I would like to see a far greater role for aboriginal people and I would like to see equitable participation. Participation has to be that they are equal partners in all of the negotiations and all of the consultations regarding what exactly goes into the body and the preamble of the Constitution in the end.

There are a number of issues which have to be dealt with in terms of the Northwest Territories and in terms of the aboriginal peoples. If we talk about equitable participation, we need to know that any of the other activities that prevail at this time will essentially not undermine or usurp the whole essence of the kind of role that, for instance, the two government leaders of the Northwest Territories play in forging ahead with a constitutional agenda that spells equality for all Canadians, including the northern people and the aboriginal people.

Our aboriginal leaders are elected leaders. They also have to be present at the table and they have to be equal partners in these negotiations. Gone are the times when we can ignore the voices of aboriginal people and the disaffected regions of this country. This is not a Constitution for one region of this country. This is a Constitution for the whole of this country and every Canadian must have a part of it.

We talk about the Americans many times. It amazes me because in my travels to Central America and to the Middle East last summer, I came in contact with Americans who talk about their constitution as if it were a part of their skin and a part of their flesh. It should not be the responsibility of a select group of individuals who would disaffect the rest of the nation to change the Constitution, to make fundamental amendments to the Constitution. My concern has to do with the participation of these two particular leadership regimes. We have elected a new leader for the Assembly of First Nations, Mr. Mercredi. I am sure that Mr. Mercredi sees a role for himself, as well as his representation on behalf of 600 chiefs in any kind of constitutional amendments that are going to take place.

The other thing that I see specifically is that the north, because it is not yet a province, is looking for a basis of equality. It is looking for equality in terms of how it participates and equality in terms of how its substantive issues are dealt with.

• (1840)

It has been agreed in principle that the north will be divided some day into two separate areas, one being Nunavut and the other being a separate territory which might go by another name.

In doing that, we may eventually opt for becoming a province. If the Northwest Territories does become a province, it is felt by all northerners and by our leaders that we should have the equality and the fairness that was afforded to all other provinces. All the other provinces, pre-1982, were created with bilateral negotiation directly between the particular applicant and the Government of Canada and we feel that is what should prevail.

We also feel strongly that if there are going to be any changes of the boundaries of the two territories, the territories have to be consulted and the pre-1982 conditions thereto also have to prevail.

We look in the aboriginal constitutional agenda and we see a complete forging of opinion last week when we elected a new leader that aboriginal people do want to see the inherent right to self government entrenched in the Constitution. This fundamental move is not one which would allow for a continuing succession of laws that either oppress or suppress the rights of these people. What this would do is replace an archaic way of dealing with the rights of aboriginal people.

I guess the most formidable aspect of the inherent right would be the inherency. What does it mean? Canadians want to know what it means. Essentially what it means is that you give the people a right to carve out their own future and to eke out their own destiny. You give the people the right to make their own mistakes or to make good for themselves, politically and otherwise. We are talking about political power and political representation.

We also want to talk about the provisions afforded to other Canadians within the Constitution. If there are going to be provisions on the basis of culture and linguistics, we want to have our languages. There are 53 aboriginal languages, only three of which are not threatened: Inuktitut, Ojibway and Cree. All these other languages are indigenous to this country. Once they disappear, there is no way of repatriating or rejuvenating those languages elsewhere in other countries. We cannot go to another land and retrieve those languages.

There have been many suggestions in the area of the preservation of language and culture for which aboriginal people have been excluded. They are not part of negotiation for our cultural industries or cultural properties in the free trade agreement. This has to be considered and I think these are the kinds of things that aboriginal people have concerns about.

The other aspect is that aboriginal people want to be part of the First Ministers' Conferences. I believe that there is some movement and some receptivity to the whole idea of reinstating the original agreement of the Government of Canada, I think it is section 37(1), which affirms that their right to this round of negotiation would be reinstated.

There is some receptivity to that whole idea. That is yet to be brought out in forthcoming reports and whatnot. I have no idea whether that is the case, but I believe with the amount of negotiations, consultations and expert representation that we get from our elected leadership in the aboriginal community, that has been brought out very clearly by the aboriginal leadership.

The other thing that I think is quite interesting is that we have perpetuated the whole mythology of two founding nations. I was at the Assembly of First Nations leadership convention and there it was put to rest that this is not the way that Canada should be perceived historically. We are not co-founders, we are the first peoples of this country and this is the way that Canadian history has to be reflected. If there are going to be future constitutional negotiations, this has to be given paramount consideration.

I guess one of the more dangerous aspects of constitutional dealings are the kinds of words and the kinds of phraseologies that are employed. What happens here is when you use a certain phrase like "two founding nations" you are bound to exclude someone. I think these are the sensitivities that have to be employed when we are going to appoint a joint Senate and House of Parliament committee. The Northwest Territories is an area which best reflects the toierance that we are known for as Canadians. In the Northwest Territories there are eight official languages. Along with French and English there are the aboriginal languages which are deemed official. If you get on an airline in the Northwest

Territories you will be provided the safety instructions in the various aboriginal languages.

You can go into a hotel and look at the bar of soap and all the toiletries offered and they are all done in syllabics in Inuktitut. I believe we set an example. There is tolerance there. There is acceptance of diversity. I think the people who come forward from our part of the world demonstrate that we are not tunnel visioned, we are not closed-minded, we do not exclude other Canadians. We keep the doors open and prove that we have the ingenious creativity to be able to allow room for everyone in Canada.

We do not predicate our constitutional dealings on the basis of being single-focused, on the basis of being intolerant. We are flexible. We understand that the whole political end of the constitutional reform process is one of the art of the possible. The art of the possible includes an element of compromise. We understand that.

The one fundamental exception which must prevail is that we cannot ignore the rights of northerners. We have to include northern leaders on an even and equitable basis with all of the other leaders across this country in dealing with the Constitution. We have to allow for the political aspirations of the north. There has to be dialogue. We cannot let things like the royal commission—it is a very good idea which I support and will be one of the tools to, perhaps, providing one building block for a new relationship between the Government of Canada and the aboriginal people.

We must not allow that to supersede bilateral negotiations between our elected aboriginal leaders or any kind of negotiations with the north. There have to be provisions for both. I think there is room for both. There are a number of issues that can unite us, not just our linguistic aspirations or our linguistic goals and priorities. If that was the case, why do we not have an aboriginal language foundation?

There is a lot of symbolism in telling people that the language which is indigenous to your people and to your country is important, it is you, it is how you communicate. It is your psyche, it is your psychology. It is the heart of your people. That is very important. Why has that not been done. That can be done outside the realm of the Constitution.

These are things which would symbolically ease a lot of the tension and frustration that is there.

Having said that, I believe that there are a number of concerns. We have concerns about the inherent right to self-government. We also have concerns about the whole issue of extinguishment. Aboriginal people feel that they are people who keep their word.

They have agreements. They have engaged in treaties. They have engaged in a number of specific and unique arrangements with governments, with the Queen in previous years through the Royal Proclamation. There are specific arrangements that they have honoured and they feel they are people of their word.

They feel that major, comprehensive land claims, given a good deal and a fair shake concerning the compensation and land base they get, is good enough to guarantee certainty. Certainty can be had with the kind of treatment you give a people, with the kind of fairness within the process. You do not need to extinguish aboriginal title to ensure certainty. That is a mythology. It is the wrong way to go at it.

For years and years it was the aboriginal people of this country and the northerners who have been willing to share their land, who have not hoarded the resources of the land, who have given access. Now we come to a point where they have not benefited economically. They have been marginalized.

We look at the whole issue of political representation. We are now in a situation where we are putting forward an all-party proposal to have aboriginal electoral districts which would perhaps produce nine members of Parliament from the aboriginal community.

• (1850)

This proposal is not to make aboriginal MPs special or give them special status, but to remove the structural barriers that are there. The Indian Act was a suppressionist document which would not allow aboriginal people to vote until 1961. These are the things which have happened and which we have to change and make even.

One of the ways in which we can measure the equality of a people is by their socio-economic status. Let me give one figure that is rather glaring. In my community only 5 per cent of aboriginal students make it out of high school. That is a very, very abysmal figure. There are some places across Canada where non-aboriginal communities say: "Well you are tax exempt. You guys have a lot of money because you hoard money". However, when you live on a reserve with 90 per cent unemployment, what good is the tax exemption, especially when there is

another tax which you are not exempt from, namely the GST.

There are conflicting ideas out there that basically are misrepresentations of the facts. There are attempts by members of Parliament from all parties to provide an equitable basis, to give a fair shake to the people that need it most. I think the senior citizens of this country are ones to be reckoned with. They have had a share in the building of this country.

In a sense, we have been fighting the constitutional battle since 1982 and before that. This has produced this malaise and a psychology among our young people which provides for very little hope. We have to go out there and reinstil that confidence and hope in our young people so they can quit internalizing the anger and the frustration they feel because of the hopelessness they feel concerning this country.

We have a beautiful country. I, as a member of Parliament, am proud to be a citizen of this country, to come from the place that I come from and to come from the aboriginal people with 600 strong leaders, chiefs, across this country who have the ingenuity to work with different levels of government under a great deal of tension, challenge and frustration.

I just want to say that we need to put hope back into the minds and hearts of the people of this country. I guess the people I feel strongly about are the disabled, the aboriginal people, women—there has to be gender equality as women are 52 per cent of the population of this country—and senior citizens of this country. I pay tribute to them because they built this country. I think it is up to us to maintain all those priorities which were laid out when we walk in the footsteps of those great people.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I listened with a great deal of interest, as I always do when my colleague speaks because when she speaks there is usually a lesson to be learned.

I guess I come with almost a cloak of cynicism and I do not really want to have it. The role of Parliament is to consult, it is to be constructive and it is to try to put into legislation instruments which will continue to allow this country to grow and be great and to allow those, particularly those who are most disenfranchised from the system, to find ways to participate to the fullness of their potential.

However, something struck me in the speech. This resolution talks a great deal about who has to be included. I guess the reason I say a bit of cynicism is that we are all guilty of creating that cynicism. The aboriginal communities in Canada total somewhere over one million individuals. That is more than the population of the province of Nova Scotia. It is more than the population certainly of P.E.I., New Brunswick and Newfoundland, and perhaps equal to some of the western provinces. Yet, here we are in 1991 discussing whether we have the wherewithal to keep this country together.

We are striking a committee of necessity to go, once again, and listen to Canadians. I want to ask my hon. colleague, in particular, about dealing with the aboriginal communities across Canada. Consultation is wonderful, it is a great thing, but consultation is no good unless we listen and unless what we glean from the consultation actually finds its way into the process, those structures that I talked about that make this country better and allow people to fully participate.

Can my colleague fill me in and perhaps take a little bit of the cynicism away from me that I feel, particularly tonight, in this House, on this motion? The aboriginal community has been dealt with very unfairly over many decades by Canadian citizens and by respective governments. They have been consulted before, but they have not been listened to. She mentions that it was 1961 before they were allowed to vote and participate. They are the first citizens of this country, yet we denied them that basic democratic right of which they have a great history and a great tradition.

What makes this committee different? Aboriginal communities have been promised consultation before. We have a royal commission. We have a House of Commons committee that has looked at the amending formula. We have the Spicer committee. We have had everybody out asking and I wonder if that particular community still has the faith that it will be listened to and that, finally, its voices and concerns will find their way into constructive changes to our society and particularly to our Constitution? Does she believe that those communities believe that this process will be any different than other ones that we have all participated in?

Ms. Blondin: Mr. Speaker, I want to thank my colleague for bringing forward his concerns and the questions about why it is that aboriginal people would feel that such a process would bring any different results than the numerous attempts that there have been at constitutional reform and amendments.

My feeling and my belief is that after our experience at the failure of Meech, the government has had to re-examine, not only the process, but the substance of what has been debated in terms of the Constitution. Not only that, but there has been an emerging sense of urgency among the aboriginal population out there. We cannot have a country in which they are the first peoples where they, essentially, will be carved out of the Constitution.

The aboriginal population wants to feel, and does feel, that they have emerged over the last 20 years into the strongest kind of leadership which is a combination of education, experience and political moxie. We have out there 600 chiefs who are to be reckoned with. We have out there the various locals of the Metis who are to be dealt with.

We have a strong group in Manitoba. The Manitoba Metis Federation has people in it who will not allow another constitutional process to go by which would exclude them and which would not deal with their issues. The Metis, for instance, are adamant that they are going to get recognition in section 35. That will be part of their constitutional agenda.

There is a different wind blowing out there now. It is not the hot winds of Oka in 1990. It is a warm, gentle wind that is giving a velvet tap on the back of Canadian politicians saying: "Listen, there is another regime of leadership out here and it is the leadership of the first nations". We elected a new leader and that leader has something that was not there till recently, that is, a unified, complete group of people which believes that solidarity is going to be the quality or component that puts it over the edge in terms of what it can achieve. Also, there has been a real delineation of fundamental issues. These people are not talking about a proliferation of details. What they are speaking about is their political aspirations, their political representations and their inherent right to self-government being entrenched in the Constitution. Their culture and their languages have to be recognized.

• (1900)

They have every faith in themselves, more than they do in anyone else. It would be up to them to guarantee that there is a rightful place for their children and their grandchildren in this country. In fact, I give my complete trust to those people, to guarantee that there is a role for our children and for the future of our people in this country. We are going to find our rightful place within Confederation, not because we do not have a place, but because it has not been recognized, and that will not happen again.

The cynicism that my colleague feels is one that aboriginal people are very experienced with. Frustration, intolerance and, at times, embitterment have consumed a great many people who are trying to deal with some challenging issues. But you know, we are people of hope. We are a people, I think, of the future of this country. We believe that we have some of the best leadership in this country, and if we support them, they will come forward. They are very clear about their message and where we stand in this country and I give them my complete trust.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, let me say that it is a difficult challenge to follow my colleague and my good friend. She speaks with so much conviction, and she speaks from the heart.

I do believe, like she does, that we are dealing with a question of leadership. I think there is a lack of leadership on the part of some of our political leaders. Before I get into my remarks, I think it is appropriate to set it in context.

We are dealing with a subamendment presented by a member of the government, the member for the riding of Fredericton—York—Sunbury. It is a subamendment to the amendment put by the member from Papineau. The amendment put by the member for Papineau would, in our view, improve the motion before the House. I would just like to state and situate the comments I am going to be making, by referring to the subamendment and the amendment.

First, I will deal with the amendment, because I think it is appropriately situated. We wanted to do three things. We wanted to increase the numbers of members of Parliament on the committee from the motion's proposal of 15 members of the House and 10 Senators, to 20 members of the House.

Second, we wanted to make sure that there were funds available to the opposition parties so that they can hire research advisers and experts in the field who will give us the needed support in committee.

Third, we believe sincerely that there is an urgent situation here and that the emergency is such that the committee should come forward with a report by the end of this year, that is, December 31, instead of the proposed date of February 28, 1992.

The effect of the subamendment by the member for Fredericton—York—Sunbury would be to eliminate from the amendment the date of December 31, 1991. I take it that since he is a government member, there is some sympathy on the government side of the House for the two proposals of increasing the number of members of Parliament on the committee, and second, to allocate certain funds to the opposition parties to allow them to hire appropriate research and professional staff.

Having said that, I think this motion should be adopted. I do not share the view of the New Democratic Party that we should vote against this motion. I believe there is enough in this motion to allow for compromise and enough in the motion to give all Canadians a process which I think would be acceptable.

I just want to point out a few paragraphs on page 18 of today's Order Paper dealing with the motion.

> That the Committee develop procedures to ensure aboriginal peoples participate fully in the development of the Government of Canada's plan for a renewed Canada and, in particular, on issues of special interest to them;

I think that is essential.

> That the Committee be authorized to put in place mechanisms designed to encourage and facilitate the participation of individuals and groups of Canadians;

That, I think, is innovative and interesting.

> That the Committee be empowered to retain the service of professional—

—and so on.

The addition of 10 senators, who are part of Parliament, is correct. Whether the NDP wants to recognize it or not, the Senate is still part of the Canadian parliamentary institution. What I have heard today from the member for Yorkton—Melville is a hard line by the NDP saying, in other words: "If we do not have our way it will be no way". They insist on having a constituent assembly. I will address that point later in my remarks as I think it is an important tool, an important mechanism that could be used, but it is not in this motion. There are suggestions that similar structures could be put in place, mechanisms designed to encourage and facilitate the participation of individuals and groups of Canadians.

It could be a task force, it could be a panel, it could be a constituent assembly of some sort, but the motion gives the committee the authorization to do that and I do not understand why the NDP, if I heard it correctly this afternoon, is going to vote against the motion, because in this motion there is no provision for the words "constituent assembly".

I do not understand and I will, perhaps, want to hear further from them as to what their position is.

[*Translation*]

Mr. Speaker, at this point in our history, Canadians cannot afford to be lazy, passive or indifferent. They cannot afford to be neutral. We cannot be neutral when our country's future is at stake. We must take a position and make that position known, so we will not be left out of the current process. For obvious reasons, and I want to make this clear right away, my personal option is for a federal Canada, an improved, strengthened and possibly modified federal formula.

Mr. Speaker, the government referred to this special joint committee in the Speech from the Throne. The committee will be asked to analyse the findings of the Spicer Commission, which will report next week, and of the Beaudoin–Edwards Commission, which I believe is to report very shortly. The parliamentary committee we are discussing today, which will be appointed once the motion is passed, will meet the legislative committees of the provinces and territories, native groups and other individuals and other groups, as appropriate, to discuss with them the future of our country. It will a parliamentary task force with a government majority. I realize that.

Mr. Speaker, they were elected on November 21, 1988; Mr. Speaker, they were elected on November 21, 1988. They legitimately form the majority. The people of Canada have spoken.

• (1910)

The question was debated in eight provinces, Mr. Speaker, if I remember correctly. I will list them here. As

I said earlier, there was the Spicer Commission and the Beaudoin–Edwards. There was also the Silipo Commission in Ontario, whose report is forthcoming; the Bélanger–Campeau Commission in Quebec, whose report we all know; the Horsman Commission in Alberta; the British Colombia Cabinet Committee on Confederation; the Manitoban Task Force on the Constitution; the New Brunswick Commission on Canadian Federalism; and as recently as last week, another report was talbed, entitled the Report of the Group of 22, which outlined some practical suggestions for Canada. This report was put together by a group of distinguished Canadians, including former politicians, administrators and businessmen. I have read this report, Mr. Speaker. It is very interesting.

Now, the establishment of this parliamentary committee we are now considering will have to deal with all these people who have been examining the issue to get a good understanding of the problems involved and, hopefully, find solutions. After all, Mr. Speaker, this country deserves that we make every effort to find a solution, or solutions, to our problem—because we do have a problem, Mr. Speaker. Yesterday, I heard people say: "We remember Meech and we do not want to make the same mistake again." I know full well that there are members in this very House who think that the Meech Accord was defeated, abandoned or rejected, whatever, because of its content. Well, I am sorry to say they are wrong. In my riding, people had mixed feelings about Meech, feelings they wanted to share and they were not given the chance to express them, Mr. Speaker, to improve the proposal. That is why the people became somewhat cynical about politics and the process underway and finally rejected the proposal.

In the proposals the government will come up with or will put forward by September, I hope we will find suggestions that will be debated, amended, changed and worked on and finally come back to the House on February 28, when the report is tabled, so that all of us here and in the other place can peruse it and stay abreast of what is happening, because, whether we like it or not, for the time being, the Canadian Constitution cannot be amended without unanimous consent on such important issues as the Constitution.

So, once the Parliament of Canada has debated the issue and the provinces have had the chance to do the same, Mr. Speaker, if everyone agrees, the Constitution will then be amended.

Mr. Speaker, we are considering ways of consulting the Canadian people. I do not want to get into the substance of the bill and deal with the program per se. The position of the Liberal Party was clearly stated earlier today, around lunchtime, by the member for Papineau—Saint-Michel, with our nine points proposal regarding possible amendments. I would simply want to take whatever little time I have left to touch on the two processes involved here. We heard a lot about a constituent assembly today.

We could also mention—and I have done so today—the binding and non binding consultations. I am one of those who are still hesitant but have finally come to accept that a referendum could be held to ratify the decision that will be made by Canadians next year.

I would like to get back to the process. I believe that a constituent assembly is normally used specifically to rebuild a society. According to the few books that I have read on the subject, a constituent assembly is usually made up so as to represent the whole society. The constituent assembly convenes to draft the integral text of a constitution, or an amendment to the existing constitution.

Mr. Speaker, in France they even have a building that is only used for a constituent assembly when there is talk of setting up one of those. As we know, there have been several republics, and each time there was a constitutional reform, they had a constituent assembly. Mr. Speaker, I cannot say that they have not used referendums in France; they have done so. It is a tool which is used but, often to their disarray, the governments lose those referendums.

Mr. Speaker, I was recently asked a question about referendums, because everybody knows that in 1981–1982, I was one of those opposed to a referendum on the patriation of the Constitution, the enshrinment of a Charter of Rights and Freedoms, and so on. Mr. Speaker, I was convinced that this was the wrong tool and I said it many times in this House.

However, today I am a little more inclined to think that referendums can be used under certain conditions. This afternoon, I have put those conditions to you. The question must be simple, clear and concise; it must not

limit any right; it must have the approval of all political parties; and, finally, it must be subjected to the double majority. These might be difficult and strict conditions, but I believe that referendums present very high risks.

When I said that you had to have a winning referendum, some media representatives laughed. They said: Isn't that funny! Well, Mr. Speaker, you do not hold a referendum if you know that you are going to lose it. Therefore, if we use a referendum for ratification purposes, for obtaining a national consensus, we must make sure that we stand a real chance of winning it.

Mr. Speaker, I would now like to talk about the constituent assembly. Quebec has said that it will not participate in such an assembly. Indeed, the government of that province has clearly indicated that it would not participate. Others—I heard it in this House—others have expectations, great expectations which, in my opinion, far exceed the potential of these constituent assemblies.

To my knowledge, the constituent assembly is not part of the constitution of any democratic government. It has been used, as I said a moment ago, and I can give you the dates, in 1787 in the United States, in 1848 in Switzerland, in India, in Pakistan, and of course in France. But it has been used only for the purpose of drafting a new constitution following a civil war, a declaration of independence or some traumatic events.

Fortunately, Mr. Speaker, we are not there yet. We have before us a proposal aimed at setting up a parliamentary commission made up, I hope, of 20 members of Parliament and 10 senators. These 30 individuals will have to consult with provincial and territorial legislatures, interest groups, aboriginal peoples, French-speaking Canadians outside Quebec, Mr. Speaker, who have changed their name last week-end and now call themselves the French and Acadian Communities of Canada. Their Federation held a big convention in Ottawa and they decided to change their name. I am glad, because I like to be identified first as a Canadian, not as a French-speaking citizen living outside Quebec. I was born in Ontario and I do not like to be identified in relation to Quebec. I am first a Canadian, but I happen to speak French. What can I say, that is my mother tongue, the language I learned when I was a kid, and I still use it.

• (1920)

Mr. Speaker, I would like to conclude with these words, since I see you are telling me I have but a few minutes left. We will have to compromise. I invite the New Democratic Party to reconsider its position, because we need unanimous consent in this House to create a parliamentary committee to consult with all Canadians so that we can find a solution. Voting against the motion will do nothing to help push forward the constitutional issue, to renew our Constitution, and to protect our interests, which we all want to do, at least, I hope so. We hope the NDP will support the motion. If not, we will be at a dead lock because of partisanship. Mr. Speaker, I beg the New Democratic Party not to make a partisan issue out of this debate. Make it a Canadian issue, not a partisan issue. From the tone of the debate today, I am afraid there will be a lot of dissension in the House along political lines on grounds which I find totally unacceptable and that is unfortunate.

Mr. Phillip Edmonston (Chambly): I listened carefully to what the hon. member for Ottawa—Vanier just said. He asked many questions to the New Democratic Party. As an NDPer for Quebec, perhaps I could answer his questions.

First, he referred to our proposition to create a constituent assembly and he asked if this was not just partisanship on our part. I would like to tell the member for Ottawa-Vanier that I attended an NDP caucus meeting and I can assure him that if we demand a constituent assembly or an enlarged parliamentary commission, it is not for partisan considerations, it is mainly because we want to give Canadians a hope that they too can be part of the process.

I would like to say that the way we see things is that people will participate to an enlarged commission, like the Commission Bélanger-Campeau, which by the way was an excellent commission. Unfortunately, no New Democrat was able to sit on that commission. Nevertheless, I am not going to moan like the Bloc Québécois. I have accepted the fact. I thought perhaps it was normal since the number of seats was limited. The Bélanger Commission has done a very good job. When I hear members of the Liberal Party and Conservative Party say

that a constituent assembly cannot work, I say it's not true. We have had evidence of this a few months ago in Quebec, and I am very proud of that.

Also because my colleague for Ottawa-Vanier is a lawyer, I guess.

Mr. Gauthier: No.

Mr. Edmonston: You are not a lawyer? In that case, I am very happy.

When I was a member of the Barreau du Québec, we used the expression *audi alteram partem*, which means: Listen to the other side, or let people be represented. This means you should not accuse people or take any decision in their absence.

The reason for a constituent assembly is not only to consult people, to ask them information, but to have them as partners in order to seek a solution together.

[*English*]

I would just like to add that as a Quebecer myself, I have seen how a constituent assembly can work with the Belanger-Campeau commission. I was very proud of that commission. I thought we did some good work. I think that we did not do as much good work when we started playing politics with the commission, and I do not want to see politics played with the Constitution and the federal scene.

That is why I, as much as my hon. colleague, would implore the NDP to compromise and not ask for a constituent assembly or constituent commission. I would remind my colleague that we are not looking for a confrontation. We would compromise if we could. There is a difference between compromise and capitulation. What he is calling for is capitulation.

With the amendment of the Liberal Party to the motion, essentially they are playing around with the fringe of this committee: "Increase it from 15 to 20, give some research funds and have a report two or three months earlier, and we the Liberals will be happy and everyone else will be happy". That is not the way it is.

Presently there is a leadership crisis. We need to have parliamentarians inside this committee. When you tell me 15 parliamentarians and 10 unelected senators are going to be calling the shots with a few panels for the aboriginals and the first nations, that is not the way to work toward a constitution. We know that.

I will just remind my colleague from Ottawa—Vanier once again, if we believe in democracy, that all the briefs that were presented before the Edwards-Beaudoin commission, more than 150, called for a constituent assembly and about 20 some did not. If we believe in democracy and listening to the people, then let the people decide. I think those who have passed before the commission have decided. To say otherwise, as my colleague from Ottawa—Vanier says, that we do not go with a constituent assembly, is to me the sum of arrogance and elitism.

I am not surprised to find both the Conservatives and the Liberals in the same boat.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the NDP has a way of showing a kind of Freudian slip. The member referred to the committee as having 15 parliamentarians and 10 senators, non-elected.

I would remind him that the senators happen to be parliamentarians. He must understand that. We have a structure here, a bicameral operation. It is called the House of Commons and the Senate. That is Parliament. The NDP always seems to want to get around that by making claims that the senators are not parliamentarians.

I regret that I have some friends and enemies there. I do not ever want to go there, but I would suspect that the NDP should learn that Parliament is both Houses of Parliament: the House and the Senate.

[*Translation*]

I think that the hon. member's comments show that he should read again the motion before us. It is rather clear. In both official languages it is quite straightforward. When he tells me that solutions have to be found, that we must take advantage of the expertise that we have and also call on every willing person, I ask him to read again the following section:

> That the Committee be authorized to put in place mechanisms designed to encourage and facilitate the participation of individuals and groups of Canadians;

Mr. Speaker, we have there everything to create, put in place and add structures which could satisfy the NDP who want a larger consultation. We could have panels, task forces, study committees which could be an integral part of this group of parliamentarians and which could hear Canadians on this important issue.

• (1930)

Well, I remind them that the simple fact of opposing the motion—I think I heard the official spokesperson for that party say that they would vote against it, because it is not a constituent assembly—is not good enough. I tell them, Mr. Speaker, that I cannot understand that they refuse to make any compromise, that they cannot take a more reasonable position which would give Canadians a chance to make their opinions known.

The Acting Speaker (Mr. Paproski): Questions and comments are now over. The hon. member for Saanich—Gulf Islands.

[*English*]

Ms. Lynn Hunter (Saanich—Gulf Islands): Mr. Speaker, I am pleased to participate in this debate this evening. In fact I am honoured to do so.

The Constitution of our country goes to the very essence of how we view our country. I am saddened, however, and even somewhat embittered that we have to oppose this government's proposal.

There are two reasons why we are going to be opposing this resolution of the government. First is timing and second is the composition of the committee. Let me first address the timing.

As a member of the Beaudoin–Edwards committee, we were reassured on many occasions that the government would not pre-empt the Beaudoin–Edwards committee, nor would it pre-empt the Spicer commission report. These are committees established by this government, the time frames of which were established by this government.

I have some quotes. On May 15 of this year the Prime Minister, in response to a question in the House, said: "We want to be consistent. We should wait until the reports on these massive consultations have been tabled before proceeding with a government initiative".

On May 17 the Minister responsible for Constitutional Affairs said: "I have no intention of judging the Beaudoin–Edwards committee report before it is received, and I have no intention of rejecting the suggestions it may contain".

The timing is a bit curious. If the timing has suddenly become inconvenient at this time and if this government refuses to listen to what these reports have to say, then what confidence can we have that it will listen to the next committee?

The second point, and the main thrust of my argument tonight, is regarding the composition of this committee: 15 members of Parliament and 10 senators. I have two words for that. It is "an insult". As a member of the Beaudoin–Edwards committee, I speak from personal experience. At the outset of our hearings I was not convinced that a constituent assembly was the way to go, although my party had advocated this as early as last summer. I too was concerned with many of the arguments being put forth from both the government and the Liberals that a constituent assembly would further denigrate our parliamentary system. As an elected member of Parliament who has a lot of respect for our parliamentary system, I did not want to contribute to that further denigration of our parliamentary system; it is too fragile.

On the Beaudoin–Edwards committee we heard a lot about what is wrong with our country and about the enormous challenges which we face constitutionally. I will give some examples: first, the whole division of powers, particularly with my interest in the environment, the jurisdictional disputes that we have been embroiled in on the environmental stage in our country. Second is the relationship with the aboriginal peoples. We just have to look back to last summer to know how fundamental that question is and how we must address it. Third is the relationship with Quebec.

These are just some of the agenda items which the next phase of the constitutional debate must address.

As I said, we heard much of what is wrong with our country. We saw much of what is right. As someone who was patriotic before becoming a member of Parliament, I can tell you my experience on the Beaudoin–Edwards committee has reinforced that patriotism. It has strengthened that patriotism. It has given a whole new definition of what patriotism is.

We saw a land of breath-taking beauty, of awesome diversity. We also saw so-called ordinary Canadians, I call them extraordinary Canadians, grappling with these very complex issues. They were an inspiration. The majority of the witnesses who came before us advocated a constituent assembly. They gave me the confidence that this new device, this dramatic departure, could

provide a way of giving us a credible process where we had none in the past.

On the antagonisms we heard so much about, which exist in our country against aboriginal people and against Quebec, I did not see those in many instances at all of those hearings and on those many long days. What I did see consistently was antagonism to politicians. People do not trust us, and with good reason.

The process which we have here has not addressed our constitutional malaise. Why do we not see it? Why do we not realize that we must have the courage to try a new way? I now believe that a constituent assembly must be made up not only of elected politicians. I respect elected politicians, some of them, most of them, but it should also include the public.

This blending of that much maligned public with the elected politicians in our country would not denigrate our parliamentary process, it would reinforce it. This is what this government and the Liberals do not seem to be able to grasp.

The government's proposal is unwilling to invite unelected Canadians to participate in the recreation of Canada unless they happen to be unelected Canadians appointed to the Senate from either the Liberal Party or the Progressive Conservative Party.

Do you not see the irony of saying that you are standing up for elected politicians when you are willing to have ten unelected political hacks included on that committee? I think that the people of Canada can certainly see the irony in that if it escapes the members opposite and the members from the Liberal Party.

It is not just the government that thinks this way. This morning the hon. member for Papineau in his remarks in this debate referred to the concept of a constituent assembly as a flight of fancy. Such arrogance is not new to Liberals and Conservatives but it is particularly offensive at a time when all politicians are being tarred with the same brush.

I wish to dissociate myself completely with such a condescending position. We must have a new way. We must have a process in which all people across the country can see themselves reflected. Obviously they now do not see themselves reflected in the government or Parliament. We need a credible process. We must find a way to restore the confidence of the people in the institutions which govern them.

• (1940)

I have news for the old parties. Our institutions cannot be saved by ignoring the people who put us here. All we will do is further erode the public trust. Canadians want politicians to clean up the mess that politicians have created.

The Liberals and the Progressive Conservatives want to criss-cross this country one more time and then return to the safety of Ottawa to close the doors on reality and issue a report which in no way reflects the public mood.

New Democrats say the time is long past for a new approach, one which includes Canadians, not excludes them.

It is a time for courage. The situation demands courage and this is why we oppose this motion. This is not a courageous motion. This is an entrenchment of old ways demonstrated by both the government and by the Liberals. It is a demonstration of intransigent thinking.

We must have a new approach. We must have the confidence in the people of Canada that they will do the same as I did, take the problems before them and find a solution. On the Beaudoin-Edwards committee, I had the courage to change my mind on a constituent assembly. I hoped the government would do the same.

In conclusion, I want to say that Canada is not as fragile as some would have us think. It is a strong and vibrant land with strong and vibrant people. It has survived many, many things in the past. It may even survive another parliamentary committee examining the Constitution.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I am surprised to hear the NDP talking the way they do today. Two years ago, they criticized the way Quebec had been treated in 1982 by Trudeau, Chrétien and Ouellet, who signed and imposed a Constitution without the assent of Quebec. And today, these same people from the New Democratic Party who, obviously, have absolutely no knowledge of what is going on in Quebec, these same people propose a constituent

assembly without the Quebec National Assembly being part of it. They propose the same thing as the Liberals did in 1982 and which led to the constitutional crisis that we are in. These people say publicly and try to lead Canadians to believe that they want to help save Canada. Well, I tell you, Mr. Speaker, perhaps they are saving Canada, but it is going to be their own Canada, because Quebec will then be elsewhere, Quebec will then be a sovereign country.

I might even ask them to continue in that way. They help Quebecers understand that this country does not make any sense, which does not mean, Mr. Speaker, that English Canada does not also have a right to its own country. An English Canada looking like the NDP, that is fine with me, but they should never lead Quebecers to believe that they represent them, when they try to give them a repeat of the *coup de force* they did in 1982.

So, I ask them: how do they think they could sell that message to Quebecers today? Show the real face of the NDP to Quebec! I also ask the member for Chambly to go and explain to Quebecers this new vision of Canada that excludes Quebec.

[*English*]

Ms. Hunter: Mr. Speaker, I would be only too happy to. I think that having had the experience of visiting Quebec City for the first time during this Beaudoin–Edwards trip and seeing the beauty of that place and listening to the very moving testimony of the witnesses from Quebec, one rings in my ears. That was the witness who said: "Bourassa does not own Quebec, nor does Parizeau own Quebec. We want a voice in the constituent assembly of Canada".

It is the old way, the old politicians which brought wrath on the heads of Quebec. We want to open up the process to get the elites out of control. The Bloc Quebecois, on its high horse and in its own parochial way, thinks it is the only one that can speak for Quebec. They do not speak for Quebec. I know that now because I heard the voice of Quebec in Quebec City.

Some hon. members: Hear, hear.

Mr. Charest: Mr. Speaker, I would just like to say that I wanted to ask a question of the member to clarify her point of view on that very issue of Quebec. But I think her answer is very clear and I am not going to ask a question.

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I will not respond to the hon. member right now. I prefer to wait, maybe I will do so later.

But I want to ask a question of my colleague. I listened to her speech and I am pleased that she could see the real picture of Quebec while she was there. I realize also that there are a lot of people who are speaking up loud and clear for Quebec, and it is not only the Liberals who are doing it, nor the Bloc Québécois, the NDP, or the Conservatives. There are a lot of people who do not belong to any of these political parties but who still want a certain logic, a Parliament in which they can believe.

The question I want to ask my colleague is as follows: keeping into account the work done by the Beaudoin–Edwards Committee, what are the main reasons that pushed her to change her mind on the constituant assembly, and why was she originally for or against it?

[*English*]

Ms. Hunter: Mr. Speaker, I would like to thank the hon. member for Chambly for that question. It is a good one. I think that having seen and heard the voices of Canadians during that process, I trust Canadians. I wish that the government and the Liberals would trust them as I have learned to trust them. I think that we should have confidence in the people who send us to this wonderful place, and I wish that the government and the Liberals would trust them the way we have learned to do so.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a short question for the member for Saanich—Gulf Islands.

I heard today the spokesperson for the NDP tell us that the NDP would vote against this motion. I understand that she is very upset with the process and I want to ask her if this motion is carried or passed by this House, will the NDP participate in the process?

Ms. Hunter: Mr. Speaker, we will be holding caucus discussions on that very issue tomorrow morning.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I have spoken today but not on debate. I asked a few questions.

I would like to speak on the motion mainly because I think the question of a constituent assembly is a very important one and we have had a lot of things bandied about here today as to whether we should have a constituent assembly or not. I cannot vote for the motion without the provision for a constituent assembly.

• (1950)

As a parliamentarian, to exclude the public in the way that this motion does I find is arrogant and wrong.

I read a newspaper report about the Leader of the Opposition where he says: "A constituent assembly? Nobody knows what it is, how long it will take, who will be on that, will they be elected or not elected." He explained that they had one in Australia that was a great success. They debated for 13 years and reported nothing.

Well, you can have a constituent assembly that does more than nothing and, as I said before, I believe the Bélanger-Campeau commission in Quebec did a great deal. I think it pretty well outlined what are the choices facing Quebecers. I was quite proud to be a Quebecer, as I am now of course, but to be in Quebec at the time that the Bélanger-Campeau commission held its hearings.

I find that when you are looking at setting a commission up to study a problem as complicated and as important to a country as a Constitution is, you need to have members of that commission or that committee who are not just parliamentarians, but who are representative of the unelected.

When I am talking about the unelected, I am not talking about unelected senators. I look at the numbers we have here. We are looking at 15 plus 10. We are looking at 15 members of Parliament and 10 senators, for a total of 25. Now that is an insult to Canada because just Quebec by itself in the Bélanger-Campeau commission had I believe 36 members.

Now I was impressed with the 36 members. We had members from the union side, members representing business and even representatives of the Equality Party if I am not mistaken. It was important to have all sides being heard. These are elected as well as unelected.

The thing here is that it worked well in Quebec, but this government does not seem to have confidence in Canadians sufficiently to the point where they would allow this to be done on a federal scale. Now that bothers me a great deal because I do not see what we would lose by having—hold on—a constituent committee or a constituent assembly in the sense of the Bélanger-Campeau commission. What would we lose? The government could still try to find the best representatives of the diverse groups, unelected people but who are very good.

I was impressed by the Group of 22 which came out with a number of suggestions which were dealing primarily with decentralization, but they had their other suggestions as well which I felt, for unelected people, my god, these people were on to something. I really felt, as I feel right now, that if we can plug into Canadians and get this information, not only does the process get revitalized and democracy is well served, but we do get some good information and some things that we can deal with.

When you have people participating in this way, these are people who see the process working and then who believe in it. One of the problems with Meech Lake, and I think this is one time we should put one myth to bed, was that it was a process which appeared to be closed-door. I have heard often, these 11 men making the Constitution in a closed room one night, well that is not exactly the truth. This was really a lot of consultation over many years. This was not a closed door deal, but the perception—and we have said in politics that perception is reality—to the Canadian people was that it was. So that is what people believe it was.

If we were to have the perception as well as the reality of having an enlarged committee, as they did in Quebec, we would bring in these people. I know it will not be perfect. Who is a perfect representative for the native peoples, for women, for senior citizens and so forth, but we must make the effort, because to do otherwise we are selling ourselves short and we are certainly selling Canada short.

There are Canadians who want to participate.

I want to respond to what the Liberal member for Ottawa—Vanier said that the motion, as it stands right now, will do all of those things.

The motion will bring in Canadians and the government will be able to talk to these representatives and get the information from them. That is not what I am talking about. I am talking about members with power, power-sharing, empowerment, people who are at the table and who are negotiating, who are talking about what they feel is important in a Constitution and have a direct say. They are not just to be patted on the head as someone who would be consulted and then told: "Okay, now go back to where you were because we are finished with you", but must have a direct say in the creation of a Constitution which is a Constitution for all the people of Canada. That is the perception and that is the reality that we want to create.

I believe that it would not be that difficult, as I said before. All we have to do is enlarge the parameters, all we have to do is add in the motion of the government a form of constituent assembly or a constituent committee. I am sure that we could seriously consider that. We just do not want people consulted in a very unserious manner, a manner where people would not really have any power whatsoever, where they would just be used and, I think to a certain degree, abused.

When examining the question of membership, the numbers of members on this committee, if we look at 15 elected parliamentarians, 10 unelected senators, we are really not dealing with that many people. When we are drafting rules for a Constitution, the Constitution that we are going to be living with for many, many years while at the same time trying to deal with the separatist threat from Quebec, we have to be more serious than just having 15 parliamentarians and 10 unelected senators.

I do not have a partisan objection to the Senate *per se*. I just feel that if we are going to have unelected people on it they should be people from the constituencies, people who have a certain amount of competence in their area of concern. I believe that, as we are talking more and more these days about decentralizing government services and decentralizing the way we deliver these services and the way we govern, it is a good way to show our good will to the people of Canada by asking them to be active participants on the committee.

I do not believe that choosing this pathway instead of what the government in its motion has chosen is going to cause the government a great deal of problems. I feel all the government side has to do, as I said before, is just amend its motion and just make some kind of an effort to include a constituent committee. It must ensure that it is one with power and that it represents people from communities who have, as I said before, a particular competence in their area.

I want to respond to what my colleague from Ottawa—Vanier said about the NDP's failing to be on side or not being a team player. That affects me particularly because I can remember the same criticism when I was in the United States and I was against the war in Vietnam. I said I had reasons why I was against it. There is a kind of love it or leave it. You have to be a team player or you are off. I left it. I felt it was wrong.

I am not going to leave the debate here today. This debate is an essential one about democracy. It is about bringing the power to the people. On something that is as important as a Constitution—I cannot even believe I am here arguing in favour of a constituent assembly or a constituent committee, a kind of Bélanger–Campeau enlarged, to a government composed of a large number of members from Quebec. I cannot believe that I have to tell them what they should know almost in a reflex manner. Yet, here I am saying: "We did it in Quebec". We do not have to be team players. All we have to do is expose the logic and the pragmatism of such a decision on the government's part. If it were to include a constituent assembly or a constituent committee, it would be very pragmatic.

• (2000)

I believe that through a constituent assembly we can bring in people from the Caisse Populaire, we can bring in people from the unions. In Quebec, particularly, we can bring in people from the grassroots who want to participate.

I do not believe for one minute that sovereignty is inevitable, as my colleague from Lac-Saint-Jean said earlier. I do not believe the separation of Quebec from Canada is inevitable.

I believe that, through including people from Quebec who are knowledgeable in their respective areas, we can deal with the question of the threat of separatism. That is the best way to deal with it. Not hollering insults here in the House or one party against the other or saying: "You have to play ball. You have to be on the team". This is not a team sport. We are talking about the future of our country. I am talking about a very pragmatic suggestion made by my party that we have a form of a constituent assembly or a constituent committee in order

to include Quebec, to include people who have never had a voice.

I am not talking about appealing to what I call the constitutional cottage industry of professionals who come before the committee and who oftentimes—I guess it is no longer publish or perish, I think it is testify before a committee or subcommittee or perish. I am not talking about these people, although there are many who are good and who are doing their job well. I am talking about the people who are not normally part of the power structure, who do not have a voice and who must have one.

In conclusion, do not mistake the position of the NDP for one of partisanship and do not mistake our motion as something which is going to be difficult to apply. It is not going to be difficult. It can be done. It is very pragmatic. It has been done in Quebec. We have seen the fruit of that. Just simply try. If you do not try and say: "Well, it is our way or no way", then you force us as a party to vote against your way because your way, in our humble opinion, is not the democratic way.

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, first I would like to congratulate the hon. member for Chambly for having had the courage tonight to give his own personal opinion about the process that led to the negotiation and the signing of the Meech Lake Accord.

I know from first-hand experience that a lot of people have presented the signing of this accord and what happened subsequently as being something which happened between 11 men in a room. He has had the courage tonight to say that that is not true. I choose the word "courage" to describe his affirmation, because he is directly contradicting, as we all know in this House, the leader of his own party, the member for Yukon. She is one of the persons in this country who repeatedly propagates in her speeches and in different interventions the myth he has had the courage to confront and destroy tonight. I want to congratulate him for having had the courage to take on the leader of his own party in that respect. I think I agree with him. I know it is difficult for any member of Parliament to directly contradict on the floor of the House of Commons most of the members of his or her own party and the leader of his own party.

I want to say that I disagree profoundly with him on what the concept of democracy should be in the case of a constituent assembly. I have heard members allude to the fact that there is some absence of legitimacy because a House of Commons committee is struck. I disagree with that. I fundamentally disagree with that. Members, by making that argument, diminish the importance of our basic institutions in our country, our democratic institutions.

The truth of the matter is that this Parliament and the members who sit in this Parliament, no matter what their leanings may be—and that includes the Bloc Québécois, the Reform Party, the Liberal Party and the Conservative Party— have been democratically elected by the people of Canada to this institution. It is the basic democratic institution in our land out of which a parliamentary committee is formed, and members go on to do their work. That is the way the British parliamentary system has worked. It has worked successfully, and I think what we are undertaking to do through this committee is very much in line with that.

I have difficulty with the member's argument when he says that we can open up the process. I think he would recognize that at the end of the day, in the spirit of democracy and in recognition of the institutions that have served us so well and that are there now, it is the National Assembly of Quebec that speaks for the people of Quebec in the areas of jurisdiction which are now attributed to it.

If we are in some difficulty today, I would argue that it is because in 1982, when we patriated our Constitution, an argument was made that the government of the day in Quebec because it was a Parti Quebecois government was not a legitimate government and that for some reasoning the federal members of Parliament elected from Quebec spoke for the National Assembly in their areas of jurisdiction. I think that is the fundamental error that led to the constitutional difficulty we are in today.

Whatever the process may be, I think that at the end of the day members of this House have to recognize that it would be the National Assembly of Quebec that will

choose in which way it will proceed in the name of the people who elected its members.

Where I have some difficulty is that the National Assembly and the Government of Quebec have clearly said that they will not participate in a constituent assembly. The member may not like that, but to proceed otherwise would mean that they would eliminate from the process the province of Quebec. I cannot understand how he comes to that conclusion. He speaks of Belanger–Campeau. Belanger–Campeau did not propose that the National Assembly or the province of Quebec participate in a national constituent assembly. Belanger–Campeau did not do that.

I ask the hon. member: How can he say that today when he knows very well that what he proposes would eliminate 25 per cent of Canada's population?

[*Translation*]

Mr. Phillip Edmonston (Chambly): Mr. Speaker, in an editorial published in Le Devoir, Lise Bissonnette clearly states that Quebec is waiting for proposals from the rest of Canada. Now is the time for the rest of Canada, all of us, all the other provinces, to decide how we wish to change the Constitution and what proposals we can offer to Quebecers.

In her editorial, Lise Bissonnette says that Quebec is certainly waiting for us, the rest of Canada, to try to solve our problems together. After reading her editorial, I also agree that we must do just that. Let us see how we can improve the Constitution, how we can change the federal system so that Quebec could better fit in.

I see no problem with that. I also recall that, in 1981–1982, when the Constitution was repatriated, Quebec indeed suffered a *coup de force*, but do you remember who was among those who rejoiced most, who even congratulated Messrs. Chrétien, Trudeau and company? Yes, Brian Mulroney. If one reads carefully the speech he delivered immediately after the repatriation of the Canadian Constitution, one sees that Brian Mulroney was in the same boat as Chrétien, Trudeau and company.

So, be careful when speaking of *coup de force*. I clearly remember that one. Finally, Mr. Speaker, I would like to say that I know it is always risky to offend or oppose one's leader. I will choose my words carefully, Mr. Speaker, I have said that perception is tantamount to reality. According to a certain perception, eleven persons participated in the Meech Lake process and tried to satisfy the five basic demands of Quebec, and we were all under the impression that they were the only people involved. Reality was different. However that perception was shared by my leader, several members of my party, and most Canadians.

So, it did not require so much courage. I simply wanted to clarify the facts.

Mr. François Gérin (Mégantic—Compton—Stanstead): Very well, Mr. Speaker. I would like to ask my colleague if he recognizes that the real voices for Quebec, now, are the National Assembly, Premier Bourassa, and Mr. Parizeau, Leader of the Opposition.

• (2010)

Mr. Edmonston: With pleasure, Mr. Speaker. I think that the real voice for Quebec, is now the National Assembly, of course. I have no quarrel with that, but it is not only Mr. Parizeau, it is all the political parties that make up the National Assembly. Finally, I have also in mind the people who have been elected to this Parliament, the Bloc Québécois, the only NDP member in Quebec, the Liberals or the Conservatives. They too represent Quebec, Mr. Speaker.

[*English*]

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I am glad to see that this resolution has finally come before the House. I am glad to see that this government has finally brought forward a mechanism for resolving the constitutional impasse that has for the past year and more sapped our will as a nation. I am glad that finally the Minister responsible for Constitutional Affairs has launched, as he declared in his remarks this morning, the Canada round of constitutional renewal.

We can quibble about the details. We can argue about the number of members who should be on this committee. We can argue about when the committee should report. We on this side of the House have made suggestions about that. We have made recommendations as to the process that the committee should undertake. We have made suggestions in a spirit of being constructive for dealing with this very important and critical process of constitutional renewal.

However, it is essential—and our leader has been saying it for months now —that Canadians finally come to the point of resolving this constitutional impasse.

What I think has so dissipated our will as a nation over the last several months has not been so much the substance of constitutional change. If we look at the points of differences among the parts of Canada, between Quebecers and Canadians elsewhere in Canada, between Canadians in the west and Canadians in the east, between aboriginal Canadians and the rest of Canadians, what separates us as people are really not profound in a constitutional sense. With a certain will to resolve these differences, the points of constitutional differences are really minor when we look at them in the broad scheme of things.

One irony has constantly been referred to by observers of the Canadian scene as they watch Canadians and their governments torture themselves with constitutional wrangling, as we have over these last several months. They continue to remind us that Canada is rich in resources and really the envy of all the world. People everywhere, millions of people from all over the world, would happily give everything they own in order to have the privilege of living here. Refugees are lined up and are back-logging our refugee system in order to be allowed to come and live in Canada. The irony is that a country with this potential is spending so much energy wrestling with fine and rather insignificant constitutional points of difference. Much of our problems as a society has been amplified and magnified by being brought into a constitutional discussion.

I think that that is really what is at the bottom to a large degree of the difficulties that we have faced as a country in the last several months and perhaps the last several years, although I think in the period preceding Meech Lake that problem has been exemplified.

What I think happened was that in an attempt, and I think give the Prime Minister credit, as he saw it to bring Quebec into the constitutional family, he raised the stakes to such a level and raised the level of the consequences of a failure in producing agreement to such a high pitch that an agreement, first of all, was virtually, as it turned out, impossible and the consequences, the fall-out from that failure to produce agreement, was so dramatic that it has really taken months for Canadians to recover from that process. Really, I think that that is one of the sad facts which has surrounded the whole Meech Lake process.

In the period following the failure of the Meech Lake Accord when, of course, Quebec retreated and took it very badly that the accord was not signed, the acrimony has been perpetuated, I believe, by the discussions which followed in the months after Meech Lake.

I think it is important that finally we are setting forth some mechanism. I agree, it is probably imperfect, but at least there is some mechanism in there that we can begin to deal with the substance of constitutional reform and to I think de-dramatize the issues, and as we have so often said, certainly as our leader has so often said, be able to put this affair behind us so that we can begin to deal with the other more pressing problems of the country.

[*Translation*]

Mr. Speaker, I would like to speak for a few moments as an Acadian. As you know, one of the very important aspects of these constitutional discussions is culture and especially the desire of the people of Quebec to have control over the protection of their language and culture.

Mr. Speaker, I can easily understand where that will to acquire the levers of power in linguistic and cultural matters and to protect their language and culture comes from. I am not a Quebecer. I am an Acadian, and for four centuries, since they came to Canada, Acadians have waged a constant battle to protect and preserve their language and their culture. We have managed to do that in spite of very difficult circumstances. Those who know the history of Canada know about the deportation of Acadians; they know that we were scattered all over the United States and that when we came back to Canada, we settled in various parts of the Maritimes, and they know the consequences that that fact had on the survival of our population.

I come from a part of Cape Breton where for three generations now, we have seen the gradual disappearance of the French language, which was currently spoken in some villages. We have always had to fight to preserve our language in our small villages.

• (2020)

For example, my maternal grandfather and grandmother did not speak English. My mother and father spoke French, but nowhere near as much as my grand parents. Those of my generation, myself, my sisters and brothers, my cousins, we were almost completely assimilated. We did not speak French at all. I had to learn it over again, since I did not speak French when I was younger.

So you know, Mr. Speaker, that we have lived with the problem of assimilation and that we must always cope with it outside Quebec and inside Canada. I can tell you that it is thanks to the programs and the will of the central government of the country named Canada that we were able to preserve our language and our culture in our region, and proudly keep our language alive at home.

I think we must not forget that, especially when we speak of preserving French, what we are all anxious to do in Canada. I think that all the Canadians are proud to be part of a society with two official languages, and we are proud of that because everyone knows, all over Canada, that this fact makes us different as a society and that it helps preserve the French language and culture in Quebec.

If the francophones outside Quebec think seriously about the aim which everybody agrees with, the preservation of their language and culture, they will see like others did the only way to maintain a French society in Quebec as well as outside Quebec is to be part of a strong Canada, a Canada with these two languages. This is one of the reasons, one of the elements at the origin of the constitutional debate.

However, we must avoid to over dramatize the constitutional issue. We must rather think about the essential objective, the one that we all share, myself as an Acadian, the people of Quebec, the francophones from Ontario and Western Canada, as well as the non-francophone Canadians, that is, the fact that we want to stay together, we want to keep what we have already gained, two official languages and a multiplicity of cultures which add to our society and make it richer.

Mr. Speaker, I hope that in this time of constitutional renewal all Canadians from all over the country and not only those who are in this House will find a way to use the mecanisms in place to put that period of constitutional amendment behind us so that we can pass to something else and take up the challenges of the next century and of the next millennium in Canada and across the world.

We have problems, like the ones our aboriginal people are now confronted with in Canada, as well as poverty and isolation in our society. These difficulties are a lot more serious than constitutional problems. Whatever the nature of our institutions, because of these difficulties Canadians will again want to live together. Whatever happens to Quebec, we will have to live together. I think that if we look at our immediate future in that way, we will be able to solve our constitutional problems because, if you ask me, they are not that difficult after all. All we need is the will to solve them. If we have that will, as Canadians, I think that we can keep our society and our country united, then move on to the next challenges which, in my opinion, are much more interesting and up-to-date than putting the finishing touches to constitutional sentences or texts. I think the time has come now to solve this problem once for all and to move on to the real challenges facing our society.

It is for that reason that I am glad the minister responsible for constitutional affairs has finally provided at least a model of constitutional renewal. We know it is not perfect. I think we are going to try and improve it, but we are going to work with it and we are going to try and use it for the purpose of finding a way out of this deadlock.

[*English*]

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, first let me compliment my friend and colleague on the very excellent address he just made to this House in both official languages.

Some hon. members: Hear, hear.

Mr. Comuzzi: As the applause dictates, it shows how much we appreciate the comments that were just made.

In all items that come under discussion at different times, not only on this side of the House, but across the aisle, there are things that we agree with and things that we do not agree with. I am sure my colleague would agree that many of the institutions in this country that are presently under review should all be reviewed in

order that we come up with the end result of a much better, much finer and a more workable Canada.

The things that we can agree on, as Canada approaches its 124th birthday, it is that we have developed, over the last 124 years, a country that respects our seniors, a country that has been able to develop a comprehensive health care plan, a country that fought in two world wars and Korea and still respects and honours the veterans who fought in that war, a country with 124 years of a magnificent history.

I wonder if my friend would comment when I ask: "Are we not embarrassed at this particular period of time in our history, when we spend so much of our time, and so much of the time within this Chamber, talking about constitutional issues until it is coming out our ears, that what we should really be discussing are those things of real value to Canadians today?"

These are items such as: how do we get this country out of the recession that we are in, how do we create jobs in this country and get Canadians working, how do we get Canada working again? These are the issues that I think confronts this country.

I wish my friend would comment on those, because once those are accomplished, I am sure, and as my colleague has stated, then this country will resolve those other areas once this country starts to move and shows a progression and the impetus that has made us great for 124 years and I am sure will keep us great for another 124 years.

• (2030)

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I want to thank the hon. member for his kind words and for his comments. I agree very much with what he has to say. I think the constitutional issues have overly preoccupied us here in Canada. For ordinary Canadians it is matters such as jobs, such as the economy, such as finding jobs and making basic economic decisions that really preoccupy them much more than the Constitution.

I would like to take his points a little further because I believe that, in Canada, at this juncture in history, as we end the 20th century and begin the 21st century, we really are, in a sense, failing our role in history and our place in history by spending so much of our energies on constitutional matters, in the face of world difficulties, which Canada is so well placed to deal with.

An hon. member: Hear, hear.

Mr. LeBlanc (Cape Breton Highlands—Canso): For example, we have a reputation as a nation of peacemakers. We are considered by people all over the world as a country that is able to resolve its conflicts, to resolve conflicts in the Middle East, in Asia, in other parts of the world, and yet, at home, we are tormented by constitutional conflicts of a much lesser nature.

We are facing, in the world, a situation in which the planet is under environmental attack on a world scale. Canada is one of the largest countries in the world and one of the cleanest and most environmentally promising and we have a duty to history to be the leaders in securing a sustainable future for all of mankind. If we dissipate that energy in constitutional wrangling, we are not only denying our responsibility to ourselves, we are denying our responsibility to mankind. I think that is the perspective in which our constitutional discussions should be cast.

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I was very interested in hearing the question asked by my colleague from the riding of Thunder Bay—Nipigon, where he indicated that ordinary Canadians are most interested, most concerned about their economic plight and that much of the constitutional debate is motivated, both within Quebec and outside of it, by a great deal of concern about the effects of the actions of this government on their daily lives.

Yet they are going to have a constitutional committee, according to the government, consisting of 25, of which 10 will be senators and the rest will consist of a majority of members who have the support of no more than 15 per cent of the population. Even the Liberal proposal, which suggests adding five to that, would still leave a majority on that committee consisting of unelected senators and a majority of men and women who have been responsible for the crises in the everyday lives of the men and women of Canada.

Therefore, I ask the hon. member: Would it not be a more appropriate vehicle for constitutional change to have a constituent assembly that would get rid of the distrust that Canadians certainly do feel about politicians? I would ask his opinion about a constituent assembly and defend any alternative position in the face of those facts which are going to lead to the distrust and

the doubt of Canadians about the validity of the constitutional process that is to begin with the motion that we have before us today.

Mr. LeBlanc (Cape Breton Highlands—Canso): The first point to make is that the first job of parliamentarians is to do their job, and this is the parliamentarian's job. I hope that as a member of Parliament, he will be willing to do his job.

An hon. member: That is what he got elected for.

Mr. LeBlanc (Cape Breton Highlands—Canso): Second, we all know that this is the Canada round and we want all parts of Canada to participate. We know that the constituent assembly would not have Quebec participate. Therefore, this mechanism will enable all parts of Canada, including Quebec, to participate, and for that reason we should give it a chance and allow it to work.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, this is a very important and interesting motion that is before the House.

The motion deals with the setting up of a committee to look into making recommendations to Parliament and the Government of Canada on proposals for a renewed Canada.

As you will recall, in the original document which was agreed to by all of the provinces, the original document I am referring to was the document which was signed by the former premier of Newfoundland, the Hon. Brian Peckford.

There was a clause in that constitutional agreement which said that every year there would be a review of the jurisdiction of the federal government in one of our primary resources, which was the fishery. However, consequently, after that signing took place, that particular clause was removed, it was no longer there. It was removed because it was thought by certain premiers, after what they said were consultations with the fishing industry, that the jurisdiction of the federal government should not be questioned on the business of the fishing industry.

I want to put on the record my concern that this particular item must be revisited. It must be examined, impartially, by the members of Parliament and the senators who are on this committee, from the point of view that it is constitutionally unworkable to have provincial governments with total jurisdiction over fish plants and the federal government with total jurisdiction over the fish.

In other words, everything presently under our present Constitution that happens on land is in the total jurisdiction of the provincial governments. Everything that happens in the water or on top of the water, in the ocean, is under the total jurisdiction of the federal government.

The problem we have today in Canada, in this primary industry of the fishery, is we have fish plants that are closing under provincial jurisdiction under the Constitution because the federal government is cutting back on the quotas, that is the amount of fish that can be fed into those fish plants to keep them operating. Obviously, this is an unworkable situation.

The provincial governments, it is said, went too far in giving approvals to have numerous fish plants built around the coastline of eastern Canada in the past 10 years.

• (2040)

It is cited by many experts that that is why now there are so many fish plants in trouble and that is why they are closing: because the provincial governments have total control over the issuing of all licences for onshore facilities.

The fact of the matter is that the federal government today sits down. The people responsible sit down in the federal government. They make the decisions on fish quotas and how much fish will be caught by Canadian fishermen, by what boats, by what companies, and in what manner.

In other words, the federal government determines on an annual basis whether or not fish plants will be open in Quebec, in New Brunswick, in Nova Scotia, in Prince Edward Island and in Newfoundland, and in British Columbia. The federal government is in total control over that.

I noticed just the other day some good news for the Canadian fishery. Here I must give some credit to the federal government. I have not ever given the federal government, this present government, any credit for anything it has done in the fishery because, as you know, I have a great objection to this government issuing

fishing licences to foreign nations to fish inside Canada's 200-mile zone.

What happened the other day was this: just prior to the Prime Minister going to Germany, the Canadian government made a decision to cancel all fishing licences to German vessels inside the Canadian 200-mile zone. That may not sound like a big announcement. The announcement was never made, and of course even today if somebody were to ask the Minister of Fisheries in this Chamber the question of what happened, how come Germany now is no longer permitted to have fishing vessels inside the 200-mile zone, I believe the Minister of Fisheries would probably stand up and give some excuse, but try to smooth over the fact that the federal government has done this.

To their credit, they have done this. I will tell you how they did it a couple of weeks ago. Normally, Germany has seven factory-freezer trawler licences issued to their fleet to fish inside Canada's 200-mile zone. Those seven licences are held in St. John's, Newfoundland, to fish 9,000 tonnes of fish. Now, 9,000 tonnes of fish is about as much as it would take to keep a fish plant going in Eastern Canada.

Last year while there were problems in Germany with the unification issue, the German fleet did not come in to pick up its seven licences. There was terrible confusion. The actual quotas were held in the name of the German Democratic Republic. They did not come in to St. John's harbour and pick up those licences, and they just sat there. They did not even fish what is called the NAPPO quota of 485 tonnes of redfish in zone 3-LN, which is a zone outside the 200-mile zone and inside the 200-mile zone off the east coast of Newfoundland.

This year, this summer, we have this big change that has been made. That is, the federal government has given the orders: no more licences to be issued to the German fleet.

Mr. McCurdy: Mr. Speaker, I really am developing a headache straining to understand what fish quotas have to do with constitutional change and the structure of whatever process is to be used for the purpose of constitutional amendment. Is there not a requirement on the part of parliamentarians when they enter into debate to enter that debate with relevant debate?

Mr. Nicholson: I have some of the same fears as the member for Windsor—St. Clair. I had considered interrupting the hon. member on the same point of order until he got to the part about giving credit to the federal government. I think he would probably find unanimous consent in the House to at least complete that thought before he gets back on the Canadian Constitution.

The Acting Speaker (Mr. Paproski): I have no problem with what the hon. member is saying and I know he is coming to the relevance as far as today's debate is concerned. I think the hon. member for Gander—Grand Falls has the floor.

Mr. Baker: Thank you, Mr. Speaker. I might add for the benefit of those hon. members who are wondering what the subject has to do with constitutional reform that is is said that fish gives you brains.

I would suggest that members in the Chamber, at least some of them, eat more fish. If they did, they would realize that all provinces in Canada under the original proposal, the original constitutional agreement, before the Meech Lake problem, all the provinces of eastern Canada, all the provinces of western Canada, all signed the document that said explicitly that the question of fisheries jurisdiction will become a part of the new constitutional formula and at the end of every year there would be called a meeting of all the first ministers and they would specifically discuss fisheries jurisdiction. That was in the original proposal. I suggest that that certainly has relevance in any debate concerning agreement on the Constitution.

Some hon. members: Hear, hear.

Mr. Baker: Mr. Speaker, as I was saying, I was giving some credit to the federal government for what the Minister of Fisheries and Oceans did the other day, which he will not admit, because I presume he thinks it would be an embarrassment because here we are having these nice cosy talks with the new government of Germany and on the other hand cancelling all their fishing licences. That is why there was no announcement made. I am simply bringing it up publicly because it was never brought up publicly to show what can be done by the federal government to satisfy the very question that the provincial premiers had in the beginning.

Why was that clause put in the original constitutional agreement that was signed by every premier? It was because there is a serious problem in this nation between jurisdictions, between what is in the Constitution now and what is the law of Canada now, and what it should be. You cannot have—and the premiers recognize this—one level of government, namely the provinces, deciding on what type of industry there will be on the land if you have the other level of government, namely the federal government, deciding on what fish is going to be caught.

That took up a lot of time.

To get back to my point, I must admit that after looking at the charts for this year, the German licences are still held outside the 200 mile zone by NAFO, but the federal government has decided not to issue any inside.

The reason I bring this up is that is one nation with 9,000 tonnes of fish that can be used by the provincially approved fish plants in eastern Canada to keep them going. Our problem on land is that there are an additional seven foreign nations which, through the Department of External Affairs and the federal Department of Fisheries have today quotas inside the 200-mile zone that can be used by the provincially licensed fish plants to keep them going if they had the fish.

• (2050)

Regarding the original drafters of that new constitutional agreement, I do not want to give credit to any one premier here because I think there was a general understanding among the premiers that this was a serious question which could only be settled during constitutional talks.

Why would you have a constitutional discussion involving the areas of public expenditure and the areas of raising money if you could not as well have a discussion on perhaps one of the largest industries in eastern Canada and how it is run by two governments not knowing what the other is doing?

The industry itself as so defined, the companies, is not in agreement with having in the constitutional accord the specific reference to a continual review of jurisdiction in this primary industry.

I would suggest that this committee call in for hearings and examination our fishermen and our fish plant workers regarding the question of jurisdiction over fish quotas.

The hon. member said hearings or herrings. Even the question of herring is very important because there are many foreign nations which have herring quotas inside our 200-mile zone.

I think that the entire question should be re-examined, perhaps even above the objections of some of the industry and above the objections of some of the premiers because I know that some of the premiers will not be comfortable with that examination.

I think it is so, so important. The question of whether thousands upon thousands of Canadians will be able to have jobs next year is very important. The question of thousands and thousands of fishermen being able to fish is very important.

Subjects that can be dealt with the by constitutional committee bring a human element into constitutional discussions because, quite frankly, the common person today says: "Well, if those politicians would only shut up, we would not have problems in the Constitution". That is the general feeling in this country.

They say we have had a commission of inquiry here, one in Quebec. There is one by this party, one by that party, one by this provincial government. Here is another committee about to meet and they say: "If the politicians would only shut up, we would not have such a problem in this country today."

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, I was very much taken by a lot of the comments by the hon. member as he made a transition from fish to loud mouthed politicians. I gather that is a reference to the distrust shared by so many Canadians about the exclusive role of politicians in the constitutional process.

Since he did not say anything really about the government motion, his own party's motion or our proposal for a constituent assembly, I would like to address that issue.

I ask this question in the context of one who has in his travels around the world seen a great deal of respect and a great deal of puzzlement about what Canadians are going through.

Ours is a country that has made an awful lot of progress and has done well in accommodating two official languages, two cultures, for much of its history, and has done well in accommodating itself to a new Canada which is far more diverse and which has within it the prospect of a great deal of potential based on that diversity.

As the member for Western Arctic indicated that she had a constituency, I would claim a constituency as well, one which has been excluded from the constitutional debate. I speak from the context of a family that has been in this country even before confederation, considerably before confederation, and not yet have we been included in the constitutional process.

Someone has said that politicians speak for the people. The politicians speak for the majority of the people, and a Constitution, particularly a charter of rights, must address the rights of minorities. The plea of Quebec is the plea of a minority in the country, and there are other minorities that have to be addressed as well.

I would also say that coming from Windsor I come from a community whose majority consists of the new minorities, so-called, in this country.

In every constitutional process the focus has been on a debate between two founding peoples as if they were the only people involved in the debate. The consequence of this was that in 1982 I listened with great disappointment as first the women were shut out and then had to fight to ensure that equality of the sexes was included in the Charter of Rights and Freedoms. I was very disappointed when the charter of rights came out of that round of negotiations with the notwithstanding clause which compromises the equality of certain members of the Canadian community. That would not have happened if there had been the sense among politicians to understand that something besides simply the majorities has to be recognized.

My question to the hon. member is this: by what means does he intend that the committee just proposed by the government or as amended by his party will ensure the participation of those other minorities in a way that consistently presents the views of those communities and not of their parties? I would like to know how he is going to deal with that with this committee and I would like to hear his arguments against a constituent assembly which would address the participation and inclusion of those who have been excluded up until now.

Mr. Baker: Mr. Speaker, the hon. member has raised many subjects in his question. He has raised many subjects and I would need, as any member would, hours to address each one of them.

I might suggest to the hon. member in his suggestion on the constituent assembly idea that the first constituent assembly that we had in Canada was what was called the National Assembly in 1947. The hon. gentleman might be surprised that I remember this quite well. In 1947, '48 and '49 a constituency assembly met in the nation of Newfoundland to consider the options. It talked for three long years. There were campaigns and every evening around the radio—we had no television in those days—everybody would tune in and you would always go to the house of someone who had a radio, a battery radio. Not everybody had a radio, and the battery would only last for so long because there was no electricity. You would go to this person's house, tune in and listen to the recording of the day's proceedings on these very large long playing recordings at 78 rpm.

• (2100)

For three years those discussions went on in that constituent assembly. They went on and there was a final vote taken. It was a fascinating thing to listen to. After those three years—the point I am getting at is this—of discussion, the National Assembly, the constituent assembly of representatives from all over the province decided against even looking at Canada, after three years. It did not want to look at Canada.

Do you know how Newfoundland became part of Canada? Do you know what happened, Mr. Speaker? What happened was that the advocates for joining Canada went around with a petition to all Newfoundlanders outside of the constituent assembly and got permission to place union with Canada as one of the options on the ballot for the national referendum which took place in the province of Newfoundland.

My point to the hon. member is that in the only case of a constituent assembly we have on the books in this country met for three years and decided something that was not even on the ballot paper in the referendum that followed.

Some hon. members: Hear, hear.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, I am tempted to yield the floor to the member from Newfoundland.

We could hear another three hours. I would have asked him this question. I will not but I will mention it for him to ponder. While he was talking, I was looking at a public opinion poll which said that almost two-thirds of Canadians, 68 per cent outside Quebec and 57 per cent in Quebec, believe a constituent assembly could help chart a constitutional course for the nation.

A constituent assembly was described for polling purposes as a body made up of Canadians from all regions and all walks of life who would meet and put together a constitutional proposal which Canada would then offer to Quebec. Lo and behold, Premiers Clyde Wells of Newfoundland, Frank McKenna of New Brunswick, Bob Rae of Ontario and Grant Devine of Saskatchewan have called for such a process to ensure that Canadians do not feel left out of the next constitutional round as they did during the failed Meech Lake talks.

Had I wanted to be nasty, I would have said to the hon. member: "You are a Liberal. You are from Newfoundland. Premier Wells is a Liberal. He is from Newfoundland. He wants a constituent assembly. Why do you differ from Premier Wells?" Perhaps we will hear another three-hour speech on the topic of fish later on in the debate.

An hon. member: His brother is a deputy premier.

Mr. Waddell: He can ask his brother then.

I rise to speak on the constitutional debate. It is the first time I have spoken in the House on the Constitution since I spoke on the Meech debate. That was on Thursday, October 22, 1987. It is with some fear and trepidation that I rise, because the last time after my speech and after I voted against Meech I lost my critic area and was exiled from my party, just for a short period. I am not complaining. In some countries they take dissenters out and shoot them. This was a relatively minor penalty.

I want to quote from my speech on that night when I said:

> Let me begin by saying that I too believe it is important to get the signature of the Quebec Government on the Canadian Constitution. However, it is not sufficient a priority that nothing else matters. The real priority is a good and sound Constitution for Canada.

Near the end of my speech I said:

> I favour the recognition of Quebec as a distinct society in order to protect the language and culture of Quebec. But the Meech Lake Accord goes beyond Quebec's distinctiveness. This is the essence of the Accord for me. The price paid was to give all the provinces rights in federal powers and institutions: the Senate, the courts, immigration, this broadly-based premiers' conference, the opting out and the spending power.

I concluded by saying that Canadians:

> —share a greater loyalty to Canada than the sum of the loyalties toward the provinces. That is the flaw in the Meech Lake Accord and that is why it has to be rejected.

I would be less than human if I did not say that is exactly what happened. I think we have to face why Canadians rejected Meech, what it means for the country, what it means for Quebec, what it means for this debate, and what it means for setting up this committee.

I believe that Meech was rejected because of the process and because of the substance. The elites in English Canada, including members of the House of Commons and the parties, were not in touch with their people and the people overthrew the elites.

What was to have been Quebec's round became the provinces' round. To obtain the provinces' agreement to Quebec's five points the federal government agreed to enlarge the powers of all the provinces. That was not acceptable to English Canada. The defeat of Meech, it is said, has revived the dragon of Quebec nationalism.

I do not think that argument will really wash. We would have been in a worse condition if Meech had passed. By rejecting Meech we have preserved the Supreme Court as a national court. We made sure that Senate reform was not translated into nothing more than a Senate, nothing more than a repository for provincial instead of federal hacks and mediocrities. We thwarted a

transfer of powers to the provinces that would have undermined federal programs and institutions.

I ask you, and the member for Saint-Denis as well: Does anyone really believe that if Meech Lake had been adopted Quebec nationalists, who he has fought so strongly against, would have been satisfied, that the supporters of independence would have been satisfied?

Nationalists want fundamental restructuring of the Canadian Constitution and the position of Quebec in it. *Indépendantistes* in Quebec want a sovereign state and separatism.

I believe it is time that we took Quebec's movement for independence very seriously. I think we have to be honest with each other. We are facing a national crisis and we may indeed see Canada breaking up.

I wish the member would listen to me. I listened to him. I am putting forward a position, I think with some past credibility, which reflects the views of my electorate.

We need to take stock of what kind of Canada we want. We have to advocate it very clearly and we have to be honest with our people. We need voices to speak for Canada. The Prime Minister has proven to be a failed deal maker and not a nation builder.

The right hon. member for Yellowhead, the present minister, is an honest and decent man. However, his community of communities view of Canada is a minority view of Canada and has consistently been rejected by the Canadian electorate.

When Sir John A. Macdonald ran on one Canada, when Pierre Trudeau ran on one Canada, when John Diefenbaker ran on one Canada, they were all swept into power with the support of Quebec, I might add.

I think he is taking a minority position. The premiers speak for the provinces and not for Canada.

Another process like the last one we saw at Meech Lake, which this government resolution sets in place tonight, will simply result in further concessions to the provinces and further undermining of Canadian federalism.

We can change this. The member for Yukon set forward a new process, another way of doing things. She said this afternoon in the House of Commons: "We want Canada to succeed. That success is dependent on the full participation of Canadians from the outset of the process". She did not speak hypocritically.

• (2110)

The New Democratic Party itself had to face this issue internally. We had to put our own process in order before we could talk about other people's processes. The leader of our party took our constitutional committee, which had been the committee of the leaders, the federal leader and the provincial leader, and expanded it to include other people, other members of Parliament and provincial members, women, aboriginal people, minority people and so on. We expanded it and we got a better document.

We also set up a task force from our caucus and we looked at reform of Parliament. Members present have to be blind if they are not seeing the Reform Party speaking out about parliamentary reform and the Bloc Quebecois also talking about a fundamentally different sort of parliamentary reform but a fundamental change in the federal Parliament.

We put together a task force and we went out and spoke to people. We took our constitutional committee report, our task force report, and we went to our federal convention in Halifax and presented them to the people.

I said that we have to be honest. Now be honest. Our members, the militants in our party, do not want to discuss the Constitution. They see other problems.

In British Columbia, my province, we have problems with the forestry, with aboriginal claims, with the environment. In Saskatchewan there is a major farm crisis. Ontario is being deindustrialized with a loss of jobs. The maritimes want to diversify their economy. Of course, I do not have to talk about the problems of unemployment in Montreal and other parts of Quebec. There are other problems.

Ask any high school kids and they will tell you that the environment is the number one problem in Canada.

I am proud of the leader of our party has pushed our party in this direction. We have to deal with this matter, the matter of the Constitution. We have a national crisis.

Members think it is funny. I do not think it is very funny. I am trying to put forward an honest position on this particular issue.

In this debate tonight the New Democratic Party has set forward a constituent assembly of a broad section of Canadians. The government has taken a position—and it backed it up with argument and speakers—that we should have a parliamentary committee. That is, as it argues, in the parliamentary tradition.

The Liberals spoke. I heard the member for Papineau who spoke. I am not quite sure what the member said, but I am quite sure of his position. He talked about our position as a flight of fancy. Do we not need some fancy in this country? Do we not need some imagination? Do we not need some creative thinking? Do we not need a means to give Canadians some real participation and some real power in constitution making?

The member for Yukon has pointed out that a parliamentary committee will be controlled by the government. We will have a government majority. It will have before it the government program. She said: "Once again Canadians will be outside looking in". I say that we are in an extraordinary situation. We face the possible break-up of this country in 18 months and we partly brought it here in our own.

The Prime Minister insisted that Meech could not be changed. He insisted that if Meech were rejected it was a rejection of Quebec. It has become a self-fulfilling prophecy. I understand how deeply hurt Quebecers feel, and I feel for them too. I think together we can restructure a new Constitution. What we are suggesting are some new ways of doing it.

The new ways would include a constituent assembly on which we would have MPs, MLAs from the provinces, people from the cities of this country, people from the rural chambers of commerce, native people, multicultural groups, women, business and labour taking part in this. I have great faith in Canadians and I believe that Canadians can speak to each other, as the member for Saanich—Gulf Islands found out when she travelled with the Beaudoin—Edwards Committee. Canadians want a constituent assembly. They want to speak to each other, and I think Canadians can solve these major problems. We share more than what leads us apart in this country.

What about Quebec? The Quebec National Assembly rejects a constituent assembly. I say so what? So what if Bourassa or Parizeau or Bouchard or the Quebec media or the editorial writers reject this? So what? I trust the Quebec people. I trust their good sense. I trust their judgment. I think they should overthrow their elites like we did at Meech Lake, the English Canadians, so that they can get a viewpoint, because I think they want to stay in Canada but with a restructured and better Canada.

We can have a constituent assembly that includes Quebec as well. I want to remind the government that it has a very tenuous hold on power. It has about 15 per cent of the electorate. Constitutionally, of course, it has a right to govern and we recognize that. It is a very, very slim hold on power, a very tenuous mandate. It is the most unpopular government in Canadian history. The Prime Minister who supposedly is going to lead the process has failed before at Meech Lake, has failure around his neck, and is the most unpopular Prime Minister we have had. He is a deal maker, not a nation maker.

We need a new process. The government needs a new process, and the process will be a constituent assembly.

The Minister for International Trade may think it is funny, but I would ask him to look at what happened to Meech Lake, why Canadians rejected it, and why we need a process that is going to work now.

I want to speak to my own party and people who are watching our broadcast tonight. I think we have a lot in the New Democratic Party to contribute to this debate. Tommy Douglas said that the whole basis of national unity is founded on the principle of equal treatment for all and special privileges for none. I think we should remember that.

We have to contribute three major points to this debate. The first major point is that we have to insist on social and economic equality in this country. We must point out that the federal spending power, the transfer payments, equalization payments and regional development policies have addressed the economic inequalities in this country and have produced a relatively equal country.

We have to insist on national standards for social programs. That is how we get medicare. That is how we will get national child care in the future, day care. That is how we will get national environmental programs. We have to lead the fight on that.

Second, at the same time we have to stand up for a distinct society in Quebec. It will not be easy to say that all across Canada. Quebec is distinct. It has been distinct since 1774. Quebec is where the French language is predominant. The civil code is a distinct legal system. Quebec has its own pension plan. Quebec collects its own income tax. Quebec has a special agreement on immigration with Canada. We should not be afraid to recognize Quebec as a distinct society.

How far do we go? If we want to face the real question, how far do we go to accommodate Quebec? I think the answer to that is: We go some distance without sacrificing Canada and its institutions in the process. There is a line, but as an English Canadian politician who voted against Meech Lake I want to say clearly tonight that we want Quebec in Canada. We need Quebec in Canada. We are prepared to make the reasonable accommodations to have Quebec in Canada. It will take some courage to say that in western Canada and in other parts of Canada.

Third, I think a great contribution we can make in the debate is to keep insisting, as we did in 1981–82, that aboriginal peoples have a real place in this Constitution. It is their Constitution too. We should insist that they not only be part of the constituent assembly but that they be in fact a part of the Constitution in the sense of recognizing self-government.

I want to conclude by a quote from Tom Berger, a former judge who was speaking in Calgary at the Martland lectures. I quote: "I want to see Canada survive with Quebec. Staying together is important not only to ourselves. If people of different languages, cultures, races and religions can live together harmoniously within a great federal state, perhaps they may learn to live together harmoniously in a wider world. In Canada, we have democratic institutions. *Et je dis cela au Bloc québécois*, we have democratic institutions, the rule of law, and an educated populace. If we cannot find a way to live, what peoples, what nations can?

• (2120)

Quebec, like English Canada, has a stake in the survival of these ideas in the world. I think he is right.

Let me conclude, if I might, by saying that we advocate a new process, a radical process, a different and creative process, as the member for Yukon said, to include Canadians, to have a constituent assembly, to get a framework of constitutional ideas, to take that perhaps to the people and then to Parliament, and we will have a new Constitution for Canada.

Mr. Benno Friesen (Surrey—White Rock—South Langley): Mr. Speaker, I listened with care and did not interrupt my friend for Port Moody—Coquitlam, but I should say that while I do not agree with his point of view I know that all of us bring with us our certain political philosophy into the debate. As much as we want to be non-partisan, we carry that with us.

What disappoints me about his remarks is that he camouflaged them so much in his speech. I think the true philosophy of my friend is the one which he expressed during his leadership race, about two years ago I think it was. I watched him on local cablevision here in Ottawa. I had the thrill of watching my friend as he was contending for the leadership of his party, and he said that the Meech Lake Accord had to be defeated because it was a threat to the future of the welfare state.

That is the bottom line for this member. I wish he would come clean with all of us and say that is his obsession with any kind of government structure, that he wants to preserve the welfare state and the future of the welfare state. Aside from a very pessimistic view of the future of Canada, to make that the ultimate goal, what bothers me is that he stands here tonight and says: "We want Quebec, we want Quebec". However he sacrificed it a year ago in order to preserve the structure of a welfare state.

I wonder if the member would tell us tonight if that is still his bottom line, that regardless of what structure we have, whether it is a constituent assembly that he proposes and very few other people want or whatever, the format is for coming to a decision as to the future structure of the political system in Canada, whether his bottom line still is the preservation of a welfare state.

Mr. Waddell: May I please respond. I might say that the member mentioned he had the thrill of watching me

on local cable television. I am sorry, I did not realize that suffered from insomnia and needed my help to put him to sleep.

My bottom line is not a welfare state. Of course I am partisan and biased and I have my positions, and I will set them out in a minute. I want to preserve a civilized Canada.

An hon. member: Hear, hear.

Mr. Waddell: That is what I want to preserve. I think Canada is a civilized country and I think this government is destroying Canada, quite frankly. With the combination of Meech Lake, with the decentralizing forces to the provinces, taking the power away from the national government and letting the provinces into the federal institutions to control the Senate, to control the court, to have the premiers conference institutionalized, and so on, I think is going to incapacitate the federal government.

That is what his party wants to do. It believes in room for capital. It really believes in less government. That is his position, that is his bias and his government. People say: "The Prime Minister does not have any vision". I think he does have a vision. He wants to deregulate, to privatize—

An hon. member: A corporate vision.

Mr. Waddell: It is a corporate vision of Canada and it is wrecking this country. You decentralize the way Meech was doing, and then you add to it the free trade deal in which Canadians start looking north-south instead of east-west, and gradually all those national institutions and the rope that holds Canada together begins to slip. We can see it happening. We are losing this country.

I have my biases like he has his biases. I want to see a civilized Canada with good social services. That is what makes Canada different from the United States. That is what makes us a great country. That is why they said we are second only to Japan in being the greatest country in the world to live in, but his government is taking it apart. I pushed and I will continue to push for a strong government which can hold Canada together, one government which acts for Canada and is above the sum of its parts.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, in all the years that I have been sitting in Parliament, I have tried to understand the philosophy of the New Democratic Party.

An hon. member: It's impossible!

Mr. Prud'homme: I have made considerable efforts. I have a lot of respect for the New Democratic Party, I have a lot of respect for most of the hon. members sitting on that side; those people have a notion of what Canada could be.

Very briefly, since I know I have only a few minutes, I would like to ask the hon. member, as well as all those who are watching me from the other side—I have circled their names but perhaps I should not name them—but I ask them to try to understand, as I was saying this afternoon, what Canada is all about. What could make us build a country called Canada?

For 27 years—and I ask the hon. member to think about it—for 27 years, ever since I have been a member of Parliament, I have welcomed here hundreds of young people every year.

[*English*]

I hear from hundreds of young people each year for 27 years. Sometimes I do not know how to explain Canada, so I invite them for a walk around Parliament and show them what Canada is all about by showing them three monuments. "Go behind the Library of Parliament", I say that to English Canada.

[*Translation*]

I tell those who speak French not to get angry if, when speaking about Canada, I prefer to do it in English because those are the ones I have to convince that this country is worth saving. Go around. I almost apologize to my fellow French-speaking compatriots, but since Mr. Bouchard now does it with elegance, so do I.

[*English*]

Go and see the first monument behind the Library on the Senate side. Why are there monuments to two people there, Baldwin and Lafontaine? It goes back a long way.

By the way, I asked the Speaker to have their names reprinted because they have faded over the years, and it is shocking. I hope tonight that Public Works and others

will make sure to reprint the names of Baldwin and Lafontaine. That was the spirit of prior Canada.

Then go back, as I said this afternoon: Why is it that we have those two monuments? Parliament is only supposed to honour Prime Ministers. I say to English Canada to come here and go around Parliament. I say to the NDP member that he should go around Parliament tonight and ask why there are two monuments, Baldwin and Lafontaine, together. In 1867 there was Mr. Cartier and Mr. Macdonald. This is not supposed to be, but that was the spirit of what built Canada.

I say that to the millions of new Canadians whom I have always defended, whom I always will defend for their pride, like mine. They must understand the history of Canada, and the history of Canada is right here on the Hill.

We do not need to go to the library. We do not need to be a scholar to understand the spirit of Canada. Go around the building tonight and you will see Cartier and Macdonald. One was a Prime Minister; the other one was not. Yet they are there together.

Go behind the library, young colleagues and friends. I am not aggressive, but when you talk about Canada I cannot do otherwise but say; "Open your eyes. Go back to the spirit and the rest will follow, but go back first to the spirit of what built this country".

What built this country was an *entente*. Call it an agreement, call it a pact, call it a law, call it what you want. Constitutionalists will make a debate on each of the words I have used tonight. I am not interested, even though I have some experience in law but never practised in reality.

• (2130)

I am not interested. Canadians are not interested. They want to have a country that works, that functions, in which people are not the same. First we have to go back to the beginning, the history of Canada, the spirit of Canada. Dear colleagues, and I could name Mr. Friesen, Mr. Domm, Mr. Vankoughnet, Mr. Horner, Madam Feltham and others, please, all of you, just walk around Parliament before you go and get your inspiration there. Come back tomorrow morning. Get your inspiration and you will see that if we all make an effort to go back to the spirit that built this country, we will show the rest of the world.

The rest of the world will know that together we can have a different kind of country in which Marcel Prud'homme will remain Marcel Prud'homme and Benno Friesen, with whom I fought vigorously on certain issues, will remain Benno Friesen. Horner, who I see there, will remain Horner. With all due kindness, as I always say, the Paproskis of Canada will remain the Paproskis of Canada.

The Acting Speaker (Mr. Paproski): I do not think that really requires a reply, but I will allow 30 seconds. The hon. member for Port Moody—Coquitlam.

[*Translation*]

Mr. Waddell: I am delighted, and I want to thank the hon. member for Saint-Denis who is respected in this House for his wisdom. He asked me to go and look at the statues of two great Canadians, and I accept his invitation. Perhaps we could go together after the debate.

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, earlier, I heard an NDP member explain that as a member of the Beaudoin-Edwards Committee, she had been to Quebec city for the first time in her life, and that all of a sudden she understood —Imagine what that says about this committee: A member from the West who goes to Quebec City for the first time and all of a sudden understands —A revelation from Heaven? A revelation, my eye! No wonder the New Democratic Party has lost touch with Quebec, a New Democratic Party that wants a constituent assembly without Quebec, without the Quebec National Assembly, and that claims to understand Quebec!It is just a repeat of the political manoeuvre by Chrétien and Ouellet in 1982. You are making the same costly mistake that shocked so many Quebecers, but you don't seem to realize what you are doing. However, I have known you for the past seven years I have been here.

Basically, you are good people and good Canadians. I think you just don't understand what is happening in Quebec, because these people live in other provinces. Am I going to blame them because I don't want a country in their image? Of course not. Let them have a country in their own image. I hope they will have the kind of country they want, with the laws they want, with their own culture and their own traditions and their own

language. And we in Quebec will also have our own country with our own culture, our traditions, our language and our business.

An hon. member: Never!

Mr. Gérin: Not never, my friend from Western Canada, but soon. Soon we will have our own country, because this country is two countries. These are two totally different visions of the same country. Since the conference in Victoria 20 years ago, we have had 20 years of constitutional negotiations and we are no further than we were then. We were unable to come up with an amending formula except in 1982, but this was at the expense of Quebec. That was the last time. It was the second, the first and the last time because this will never happen again, whatever the NDP may think, whatever the Conservatives, the Anglo establishment party of this country may think, whatever Jean Chrétien may think, who has just concocted an agreement today with the Conservatives, probably another plot to shaft Quebec.

This, Mr. Speaker, is entirely unacceptable to Quebecers. For 20 years —and the hon. member for Saint-Denis who has been here for 27 years has seen quite a few constitutional conferences. He saw Quebec's Premiers try to make some headway, starting with Duplessis, Lesage, Johnson, Bertrand, Bourassa, Lévesque, and now again Bourassa, but they never got anywhere. And you really think we are going to go on like this? We are bankrupting this country and Quebec as a result of this situation.

In the 70s, to buy peace and camouflage the fact that Canada was coming apart at the seams, Trudeau started borrowing billions and billions and gave a few hundred million to Newfoundland and a few hundred million to the West to mollify the farmers and to the Maritimes, a little bit to Quebec, mostly peanuts. Today, in 1991, we have a country that is in debt to the tune of more than $400 billion. Mr. Speaker, do you have any idea how many zeros that is? Four hundred billion dollars worth of deficit? This year we are going to pay nearly $45 billion in interest alone. While Canadians are paying $110 billion in taxes, $45 billion of that amount is used to pay the interest on the debt. Why? Because we have not been able to deal with the fundamental problem in this country which is the Constitution. Because we keep trying to solve a problem that is impossible to solve. Everything has been tried: the strong arm method *à la* Trudeau and the conciliatory method *à la* Mulroney. All Quebec Premiers have tried. We have tried any number of things, but it was no use.

Today, we spent the whole day talking, not about what Quebecers would like to talk about the economy, jobs and the environment no, we still hear people of good will say that after 20 years, we have to persevere like the bull in front of a 20-foot thick wall who keeps saying: It doesn't matter, we will get through somehow. This has got to stop. We can no longer afford to go on like this. Quebecers can no longer afford to ignore the real problems.

The time will come when people will have to decide. In Quebec, we made our decision. In Quebec, we appointed the Bélanger-Campeau Commission. Thirty-six people, eighteen elected and eighteen representatives of all groups of Quebec society. The unions were represented. Business was represented. We were generous. We even let André Ouellet in. Not bad. We even let Jean-Pierre Hogue go to the Commission. Of course, he didn't speak. When he did, it wasn't worth much, but in any case, we let him come as a representative of the Progressive Conservative Party. We even let Lucien Bouchard from the Bloc Québécois in. At the Commission, he managed to establish a consensus. The consensus, Mr. Speaker, is on a referendum on sovereignty, by October 1992. If you want to know what is going on, it takes more than just a short visit to Quebec City like the hon. member for the NDP thinks she got a revelation from heaven, like Mr. Ryan.

• (2140)

Come and live in Quebec for a month, even just two weeks. Come and visit the countryside in my riding of Mégantic—Compton— Stanstead. Come and see us. The people will tell you themselves that they are tired of governments like this one, of their beating about the bush, of measures that achieve nothing.

The people of Quebec cannot stand it anymore. I remember, during the 1983-84 campaign, Mr. Mulroney was travelling across the province—back in those days, we thought he was going to be so great —and referring to the Liberals as "those 74 morous".

[*English*]

The Acting Speaker (Mr. Paproski): I would just like to bring to the attention of the hon. member that he is using first names. The name is either the Prime Minister or the hon. member for Lac-Saint-Jean or whoever he addresses, but not their first names.

He has been here a long time now, so he understands that.

[*Translation*]

Mr. Gérin: Do you think that the people of Stanstead know who I am talking about, Mr. Speaker, when I mention the member Salaberry or whatever? No, they know him by his name. But, when they hear me say Jean-Guy Hudon, on the other hand, then they know I am talking about a very fine man.

But they do not understand— No, no, Mr. Speaker, I heard you and I will do as you said. I will not name—

[*English*]

The Acting Speaker (Mr. Paproski): I will not mention it again, but if the hon. member keeps doing it I will cut him off and we will go to the next speaker. That is the decorum in this House.

[*Translation*]

Mr. Gérin: Mr. Speaker, they know very well that the member for Salaberry is a very fine man, but they wonder how he stays with the Conservative Party. That, Mr. Speaker, they cannot figure out, but they know he is a fine dedicated man. However, one can only wonder how the member for Salaberry and his colleagues from Quebec who replaced the Liberal "morous"— I used no name, Mr. Speaker, just a collective designation.

We are wondering how these members who are supporting today a plan of action designed to renew Canada can, at the same time, endorse the recent Speech from the Throne in which the government announced publicly that it is taking over the area of education, an area that Quebec considers off limits. So, on the one hand, they advocate a renewed federalism, along the same lines as Quebec somewhat, while on the other, they take over some areas of its jurisdiction. How much do you figure this double jurisdiction regarding just about every department and ministry has cost us, Quebecers? Try and explain to the agricultural producer in my riding why it is he has to go to the Quebec Farm Credit Bureau on one side of street and to Farm Credit Corporation Canada on the other. There are civil servants on both sides of the street, but too many civil servants only make things worse. It costs hundreds of millions of dollars in the area of housing, Mr. Speaker.

The same is true in the area of income, Mr. Speaker, as well as in that of manpower training. It is like that in every sector. They not only go in the field of education and manpower training, for which there is a consensus, there is unanimity in Quebec that manpower training must strictly be a jurisdiction of the Government of Quebec. And it is easy to understand why it must be a provincial jurisdiction.

In the field of education, our high schools, our technical schools and our universities are there to teach people a profession, to make them learn. It would be normal that Quebecers who need retraining later on in their lives and in their jobs, to be able to go back to the field of education.

But no! They will have to go through another system, a federal system. I imagine it should be better, because it is Canada. Education is another sacred sector for Quebec. The political minister for Quebec—I will not name him, Mr. Speaker, but you too would be able to name him—the political Minister for Quebec just said again that there should be a regional development department for Quebec, another sector which, the Bélanger-Campeau Commission said, belongs to Quebec. When are you going to mind your own business? When are they going to mind their own business, Mr. Speaker?

Immediately—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. We have a few minutes left. I would like to hear the hon. member's speech. If we do not let him finish we will not get on with the next speakers, please.

[*Translation*]

Mr. Gérin: It is an old tactic to try to interrupt someone who is talking. Instead of listening and try to understand, they make jokes, they say anything, they talk among themselves. Now, it is too late; they are not able to read, but they should listen or else they should go to their ridings and pay attention to what their constituents have to say. This might be much better than the mediocre results of the government.

You know, when you are only at 11 per cent or so in the polls, as is your case, you should not laugh. If I were you, I would ask myself some very serious questions. Go to your ridings, with your 11 per cent. I see some here who are only at 7 or 8 per cent and they keep going down. In fact, you are so unpopular that, in my opinion you will be below zero pretty soon.

Mr. Speaker, the good thing about all that is being done in this House and will be done later in English Canada is that the latter defines the kind of country it wants to have in the future. I am willing to give them that country.

[*English*]

Mr. Waddell: On a point of order, Mr. Speaker. While the hon. member is sort of getting his breath and getting a drink of water, I would not object to him not losing any time. There have been some interjections on things which I would like to hear him finish. I ask that he get his full time.

The Acting Speaker (Mr. Paproski): His full 30 seconds? The hon. member has the floor.

[*Translation*]

Mr. Gérin: Mr. Speaker, we are now close to the end of the day. So it is normal to lose your voice when you have taken part in the debate in the most intelligent way possible. It's too bad because there is so much more to say.

Mr. Speaker, I want to say to my friends in English Canada that they have the right to have their own country. Sovereignty is not a concept too difficult to understand. Sovereignty, Mr. Speaker, is the right to pass your own laws. It is normal to make your own laws, to collect your own taxes and to reach agreements.

In Quebec, we make our own laws in about half of the total jurisdictions. We have our own taxes. We already have international agreements. I think we would be able to take the same responsibilities, but in all jurisdictions. Once English Canada has the right to pass its own laws, to preserve its own traditions, its own culture, I see nothing wrong in the fact that Quebec and English Canada, Upper Canada and Lower Canada as we used to say in the past, join together and build an agreement based not on our differences, as we have been trying to do for the last 25 or 30 years, but try to build an agreement, a superstructure as a Premier calls it, or other kinds of agreements based on our similarities, Mr. Speaker. But as a sine qua non condition, the agreement would have to be reached within preceded by the sovereignty of Quebec.

• (2150)

[*English*]

Mr. Joe Fontana (London East): Mr. Speaker, it really is a sad moment in this House to hear the member of the Bloc Quebecois. I do not believe his comments reflect at all the sentiment of the majority of Quebecers who, like the constituents of London East, are proud of this country's heritage, proud of what this country has done for each and every one of us.

I do not believe that this member speaks for anybody other than himself. It really is hypocritical, because last year not only he, but his leader, accepted the largesse of the Canadian people and the Government of Canada. In fact, his leader from Lac-Saint-Jean accepted $800 million for his riding to get into this House of Commons in a by-election. Really, the Canadian people have been more generous to the member than he has been to the Canadian people tonight. It is absolutely unbelievable that a member in this House can speak of this country in such a fashion.

I believe that this member is stuck in a time warp. This country has been built on generosity and tolerance from all people, from Quebec, the west, Atlantic Canada and Ontario. That is what has built this country. I am not at all sure that he reflects the sentiments of the majority of Canadians at all.

Let me ask him one simple little question. The Bloc Quebecois essentially wants a Quebec without Canada, very much like its counterpart, the Reform Party, which wants a Canada without Quebec. I want to ask him how he can reconcile the fact that he wants the good things of Canada, such as our dollar, our trade, and the economic links to this country and yet is prepared to disavow himself of all the good things that have built this country over the past 124 years.

An hon. member: Hear, hear.

[*Translation*]

Mr. Gérin: Of course, we are ready to pay a portion of the huge federal debt which we inherited from that wonderful Canadian federalism.

[*English*]

Mr. Ian Waddell (Port Moody—Coquitlam): I have a comment tonight about how the Quebec National Assembly speaks for francophones. It is true in Quebec. It is a provincial government and it speaks for the majority in Quebec. There has been a tradition in Canada, enunciated by Henri Bourassa and Sir Wilfrid Laurier, that in the federal House, Quebecers and federal politicians have a responsibility for the French fact and francophone rights throughout Canada. That was the dream of Henri Bourassa and Sir Wilfrid Laurier. It is wrong to say that this House does not play a role in protecting the French language and the French fact. Someone has to say that. It is a revisionist view of history.

I believe the Bloc Québécois is misleading the Quebec people by pretending that separation will be so easy. Does he not realize that if there is separation there will not be representation by Quebec in a federal bank because the bank will be controlled by English Canadians in the new country of English Canada and Quebecers would have no control over it? Is it not misleading the Quebec people by saying that separation will be easy? Quebec would not be in a federal bank. There would not be a common currency. There would be some question as to whether his farmers would get access to markets in the rest of Canada. So, why are you misleading the Quebec people on this?

[*Translation*]

Mr. Gérin: You tell me that the Bank of Canada would be controlled by English Canada. That would not be very different from the present situation. The Bank of Canada serves the interests of Toronto. Look at all the decisions that the Bank of Canada took to help Toronto, to bring the inflation down in Toronto; it had an extremely negative impact on the economy of Quebec and of Montreal. Look what is done in research and development. It's always done in favour of Toronto. You, New Democrats, a party mainly based on regional interests out of Toronto, should be able to understand that Quebec has been a victim for many years. We have thought for a long time that by reforming the Constitution, by reforming the powers, by changing the whole constitutional picture, we could manage to benefit from Canadian federalism. However that seems impossible, it seems impossible to even start changing or amending. That is why we have, as we say in Mégantic—Compton, pulled the plug.

* * *

[*English*]

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not want to take much time on this debate because I know there are still a few members that would like to participate.

Pursuant to Standing Order 26(1), I move:

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of consideration of government motion No. 3.

Motion agreed to.

* * *

NATIONAL UNITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE

The House resumed consideration of the motion of Mr. Clark (Yellowhead) (p. 1912); the amendment of Mr. Ouellet (p. 1924); and the amendment to the amendment of Mr. Bird (p. 1970).

Mr. Brian L. Gardiner (Prince George—Bulkley Valley): Mr. Speaker, I give some credit to the House tonight. One of the members asked why we were bothering to extend the hours of debate. I asked what was wrong with trying to debate the Constitution of Canada. That is why we are prepared to spend some extra time in the House of Commons tonight to talk about and debate a very important issue before not only this House, but all Canadians in the country.

Just before starting with some of my comments, I would like to pay credit to a couple of members in our party who I think have done really an outstanding job in terms of representing our party's views on the Constitution, in particular our two members who have served on what has come to be known as the Beaudoin-Edwards committee, the member for Saanich—Gulf Islands and

the member for Yorkton–Melville. I would also like to give special credit to an earlier speaker tonight, the member for Port Moody–Coquitlam.

The Acting Speaker (Mr. Paproski): I would like a little decorum in the House, please, so that we can get our speeches over with.

If the Whips need to have a conversation would they please go behind the curtain? You are right in the line of the speaker and I cannot see him. I know who the better looking one is too. The hon. member for Prince George–Bulkley Valley.

Mr. Gardiner: Thank you, Mr. Speaker. I know you would like to have a direct line of sight to me.

As I was saying, I would like to really congratulate the member for Port Moody–Coquitlam who has done a great deal in our party in advancing the constitutional debate, and as well our leader, who in the time that she has been the leader of our party has dragged many of us kicking and screaming into the constitutional debate.

If anyone, certainly in our party and in this House, has done a great deal by arguing that we must, in building a new Canada, open up a process on the Constitution it has certainly been the member for Yukon and the leader of the New Democratic Party. At our recent convention in Halifax she was involved in what could have been a very fractious debate. It was an intense debate but it could have been a fractious debate. If a party is to develop any kind of constitutional position it must be united and pull all its disparate parts together, as we and many other parties have had to do. That is one significant challenge and one that she was successful at. We certainly credit her for that.

We are debating tonight a motion to create a committee of this House and members of the Senate, with some provisions to include other people, to discuss further proposals for a Canadian Constitution. This committee will finally receive in September the proposal from the Government of Canada in terms of what we see as their proposal for the future of this country.

• (2200)

I appreciated the comments made earlier by the member for Saint-Denis who very passionately told the House about his vision and what he saw as some of the sense and origin of this country and from where he gets his vision. I would like to share with him an equal vision of this country. As I travel through the part of the country that I represent, I see a vision of my country through the mountains, the forests, the rivers, the people who live and work in that world, and I understand what he said about Parliament and what it should be in this country.

I suggest to any member who has wanted to try and shape this country through a career in politics to go past the Peace Tower when it is lit up at night and feel like one very lucky person to have had a chance to share in the debate about the future of Canada. I would hope that all Canadians who from time to time watch the debates on television, or those Canadians who have an opportunity to come to Ottawa to see their capital, that when they see the Peace Tower it means more than just the top part of a building where a bunch of politicians are trying to figure out how to run the country. The Peace Tower should stand for something in this country, for peace, for unity in Canada, and for their own vision of what our country is trying to establish.

I think it is important that there is intense debate in the country and in this House between our members, members of the Bloc Quebecois, and others. I would hope that we would want to fight over Canada. I would hope it would be important enough—that we would be passionate enough—to have the sense to really fight for what we believe. Thank goodness that people do have some emotion about the country. It would be terrible if this Chamber passed in one sitting all of the stages necessary to pass a Constitution in this country. What a boring thing that would be if we treated our Constitution in that way.

I do not think we should have to apologize if members in this House and people across the country get emotional about what they believe in and what our country should stand for. I am glad about that because clearly those people believe in something, as we should as well.

What are we doing with this committee? I would say that it is with some regret that we speak on this motion presented by the government. Since the failure last June of the Meech Lake Accord, we have had very intense

discussions led by the Prime Minister. I remember leaving Ottawa and going to speak to grad ceremonies in my riding and talking about the importance of national unity and how we needed those young people to make their contribution to Canada. That was just a year ago, but that has been a long time in terms of the debate we had in the country on the Constitution.

I say with respect for all of the comments made by learned members and with the effort made by my leader and my party in terms of outlining a broader process to involve more Canadians in the constitutional process, I would hope that after a year we might have done a little more, that maybe tonight rather than debating what may end up to be—we hope it becomes more than that—yet another parliamentary committee. It is unfortunate that tonight we could not have been debating and fine-tuning perhaps the components and aspects of a constituent assembly that I think would go some distance toward showing Canadians that not only do we respect the advice and opinions of Canadians from all walks of life, members of Parliament, members of legislative assemblies, representatives of local governments—a group quite often missed in this debate—but that we want them to be part of a process. A little goes a long way when it comes to showing Canadians that we are prepared to consider their views when we are writing and dealing with the Constitution of Canada.

If there is one constant that we will be faced with from now on, that constant is the change in our Constitution. This is not something that will be resolved by September or the fall of next year, or into 1993 with a spring election. We have the ability to change and to amend our Constitution at home on our own, now.

Others were here before in that historic debate when we brought home, as it was said, our Constitution. So, change is with us constantly now and we have to be prepared to deal with that.

I have mentioned some of the groups that I think can and should be involved in this debate. I have talked about members of legislative assemblies, and I have talked about local governments. Their voice has not been heard a lot lately. I also want to mention because it is so important that aboriginal people in this country have their role as well in the makeup and the writing of our Constitution. We cannot allow another failure in that area. I hope we have a commitment from this House and others that that will in fact be the case.

We have had an example, one small step perhaps, but an example of what a government can do. I am referring of course to the recent announcement by the Government of Ontario that has signed a statement of a political relationship with the First Nations of Ontario. The Ontario government has done what the President of the Privy Council and the Minister responsible for Constitutional Affairs ought to be doing as they continue their discussions with the legitimate leadership of the national aboriginal organizations. Our member who represents Port Alberni has spoken eloquently on this issue previously in the House.

I would hope that as we consider this motion and the debate that we are having that we do look beyond the confines of the rules as we have known them and have become comfortable with. Let us not be afraid to experiment, let us not be afraid to listen to some new ideas.

One new idea we debated this afternoon. The member for Etobicoke—Lakeshore presented his bill on referendums and plebiscites. Let us not be afraid to consider a couple of ideas from time to time. We are a young nation. Next year we will be celebrating our 125th birthday and we have many years to go. We have survived a great deal as a country. We will I hope survive our current fracas or discussions. I am hopeful that we will, and I am particularly hopeful of course that in writing this Constitution that we be inclusive, as is being said, that we include aboriginal people and the groups that we have mentioned before. We will not accomplish that—or, I would hope that we have to go some distance to ensure that we do—with the motion before us now.

I would ask that the House give serious consideration to our proposal for a constituent assembly. Our leader has said that it is not perfect. What is? But it is an attempt, a signal if you like, a call on the government to lay out in some detail a message that we are prepared to reach out to Canadians, to have their say, to have their view and to participate in the writing of our Constitution and to share some of that emotion and some of that vision for Canada.

• (2210)

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Parkdale—High Park, I would just

like to advise hon. members who are waiting for the adjournment proceedings that under Standing Order 38(7) they are today cancelled.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I believe all members in this House received a document in their offices yesterday or a few days ago called "Some Practical Suggestions for Canada: Report of the Group of 22". I compliment this group because rather than sit around and complain as many do, it got together and did something.

It put this report together with 28 recommendations of what should be incorporated in the Canadian Constitution. I do not agree with all of them, but as I say, I compliment it for doing something positive.

I would like to ask the hon. member whether he agrees with recommendation 14 which reads: "We recommend that full and complete recognition of the four economic freedoms, the freedom of movement, labour, capital, goods and services be stipulated in the Constitution so that the Canadian economic union can be fully established and citizens can have recourse to the courts to ensure that these provisions are met. We suggest that consideration be given as well to the creation of an administrative tribunal which would oversee the practical realization of these essential economic principles and would assist in the resolution of the problems."

Coming from the constituency which he represents, does he see that this will be a positive thing into the Constitution or a negative thing, this building in the free movement of labour, capital, goods and services?

Mr. Gardiner: Mr. Speaker, let me respond to that question first of all with just a brief comment on the member's preamble to his question.

That was on the proposal from this group as it is called, in which there are some learned people who are presenting their views of Canada and suggestions on how we can take a look at the country.

The member mentioned that in his preamble with a suggestion. These people are making their proposals and suggestions in a positive way, or adding to the debate.

Let me make one comment about what I hope is one small way that I am helping my constituents in this debate. During the discussions on Meech Lake, it was very interesting to ask how many people had actually read Meech Lake. In a room in which everybody in my riding would have got up, howled and screamed about Meech Lake, not one may have read it.

As a practical solution or attempt at that, I have made an effort to my constituents to ensure that those people who are interested in the constitutional debate are sent a package once a month of pro and con debates. We will be including this Group of 22 submission in that package for my constituents. We have about 300 people in my riding now who have written to me. I invite anyone else in the country who is interested to write. I would be more than pleased to put them on that list so that they can make an informed decision about the Constitution.

A "more informed decision" means we will have a better vision of the country. Specifically, to his question in terms of some of the four components in the Constitution, I would certainly be prepared to look at them. On first hand, I do not see any reason necessary to reject them. I suppose some debate would be with the provinces which have their own challenge in terms of attempting to break down the barriers they have between their jurisdictions.

We have had some cases in which that has been almost ridiculous. On first glance, I would not have a problem with that. I suppose we would have a better Canadian economy if we had better coast to coast to coast trade than we do now.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I know the hour is late and I do want to thank all the members of this House for the latitude given in extending the hours of the debate so that remaining speakers, my colleague and I, have an opportunity to address this really important issue.

Canada is a country which faces troubled and difficult times. It is a nation which today is at a crossroads. It is a nation with an uncertain future. It is easy to point fingers at who or what is to blame for taking us to this critical point. It is easy to blame this government. It is easy to blame this Prime Minister. I think we have to recognize that in some measure we are all to blame. That is precisely why we all must be part of the solution.

Canadians are a people who are rather uninformed about their country. That is possibly due to the fact that we are constantly submerged and inundated in a wave of culture from our U.S. neighbour. We do not have a healthy sense of national identity. We are a vast land, a land with a very sparse and a very diverse population. We tend to view ourselves from two distinctly separate

realities. The problem, when you look at it, goes right back to the beginnings and the foundations of Canada.

Before Confederation there were essentially two Canadas, composed of two founding nations: the French of Lower Canada and the anglophones of Upper Canada. As this land grew and spread westward the perceptions of Canada evolved. The francophones of Quebec remained within the frame of reference of a Canada of two founding nations. The anglophones, the English-speaking Canadians, particularly western Canadians, began to perceive our land as an equal partnership of provinces and territories.

Canada today, as a result of that evolution of realities, has become a land, if you like, of two solitudes. It is a Canada of vastly different realities. That is why the Meech Lake Accord failed. It had essentially competing objectives and it was assisted by a Prime Minister who chose to roll the dice with the future of this nation. The demands of Quebec to be essentially a nation within a nation, with special privileges and powers, in the perception of western Canadians, of English Canadians, was unacceptable.

The application of the notwithstanding clause to impose French-only language rights within Quebec was the straw that broke the camel's back in western Canada. That is why western Canadians are now railing against the concept of bilingualism. The question they ask themselves is: why should English Canada be attempting to accommodate Quebec through a national bilingualism program when Quebec is trying to override equal rights within the province? That is the perception. It is the reality in terms of a western Canadian perspective. I want to try to bring that perspective here on behalf of western Canadians so that we can attempt to deal with this difficulty.

Quebecers, to present the other view, if they cannot follow their own perceived sovereign destiny within the national framework then they do not want to stay in Canada, they want to pursue their own future. To westerners, if they cannot have an equal partnership, then perhaps it is time that Quebec leaves. There are certain sentiments in the west which take that viewpoint. The reality is that we tread in very dangerous waters. It is a situation which threatens to rip our young nation apart.

The failure of Meech Lake last year has paralyzed this government and it paralyzed this nation. We do not have the kind of constitutional tools to deal with the kind of crisis which besets us today.

• (2220)

The current parliamentary structure is incapable of resolving this crisis. Canadians know that we as parliamentarians have in some measure failed them. There has been a clarion call for change in the way that this country runs itself.

There has been a request, a demand, for a mechanism to resolve this constitutional impasse.

One thing Meech Lake has taught us is that the Canadian people themselves are no longer willing to sit idly by on the sidelines while the process evolves behind closed doors. They want to be active. They want to take an active role, to be fundamentally involved with the process of solving this crisis, despite the anger and the frustration that is out there in Canada on both sides.

There is also, I feel, a growing desire to heal the wounds that have been left from the Meech Lake fiasco. There are genuine efforts coming about toward real national reconciliation.

I want to point to a small community in my riding, on the western edge of my riding in the Okanagan—Shuswap, the community of Falkland which is now becoming known internationally as "the little town that could". This small community is trying to reach out to our francophone friends in Quebec with an "I care for Canada" campaign. The little town has been flying hundreds of flags. There are T-shirts. There are buttons. There are letter writing campaigns going on. Falkland has challenged other communities in my constituency and throughout the west to open up a dialogue with communities in French Canada and to tell our francophone friends, the brothers and sisters in Quebec, that we want them to stay. We want them to remain a part of Canada.

Other communities have taken up the challenge which Falkland has levelled. Falkland's sister city in Utah is even proudly flying our own Canadian flag and is taking up the challenge of the need for national unity in Canada. Falkland's message to Canada is that despite

our differences, and granted they are real, together we are stronger.

I believe there is a growing hope for a united and a stronger Canada which will include our friends in Quebec. That is why my colleagues and I support a renewed process of reconciliation. We very much want to see a renewed Canada, a just Canada, and in particular, a united Canada.

It will take more than simply a commitment to constitutional change. It means a commitment to building a fair and a prosperous economy. It means a commitment to maintaining our national health and social programs. It means a commitment to restoring health to our natural environment.

Today we are debating a constitutional resolution and how we as a Parliament will seek consensus which will hopefully lead us more united into the 21st century.

The success of Canada is dependent upon the full participation of Canadians in the process of national renewal. Regrettably, this motion before the House does not allow that full participation. The people of Canada have spoken loud and clear. They want to be involved. They no longer trust this government. They no longer trust the politicians. They want to have a hand in the process in a very fundamental way. They do not want to leave their future and the future of their children in the hands of the political process because that political process has failed them before. They do not want it to fail again.

Enough of the back room deals and enough of the rolling of the dice, they are not willing to have their children's future simply gambled away.

The government response to this challenge levelled by Canadians, after all the commissions and studies, is to strike another parliamentary committee, a committee in which the government has control, a committee in which the government calls the shots, a committee in which the government shuffles the deck and deals the cards, and in which unelected senators, believe it or not, will have a say and perhaps the balance of power in the outcome of this process. It is a committee of politicians speaking to more politicians. Once again the Canadian people are on the outside looking in, and that is unacceptable. It is time to bring real people into the process.

Both the Liberal opposition and the Conservative government have adopted the proposal for this committee of self-interest. My colleagues and I have to reject this proposal. There is a need for involving the Canadian people at a fundamentally different level, and that is ignored in this committee proposal.

My colleagues and I have proposed a constituent assembly, a process where Canadian people can become involved and can take part in the decisions that affect the future of this nation. A nation can only create a Constitution through a process of social consensus, and the best way to reach that social consensus is through such a constituent assembly.

Earlier this evening the Liberal member from Papineau called a constituent assembly a flight of fancy. If our Liberal and Conservative friends call listening to the voice of the people of Canada a flight of fancy, then I submit we are in deep trouble indeed.

The Constitution of Canada, the future of this nation, does not belong to this government. It belongs to the people of Canada and, by God, they must be able to have a say and be able to participate in that future.

As was mentioned earlier tonight by my colleague for Port Moody—Coquitlam, 68 per cent of the Canadian people want a constituent assembly. Canadians are calling for a larger role in this process of constitutional reform. The government's response has been to appoint another committee and to appoint 10 unelected, unrepresentative senators to that committee who may well hold the balance of power in the deliberations of that committee. That is unacceptable to the Canadian people. More politicians and more hidden agendas are unacceptable.

My colleagues in the New Democratic Party and I are not opposed to the concept of parliamentary committees, but this constitutional impasse, this crisis that we face, is an extraordinary situation. It is time that we explored new solutions and explored the utilization of new tools to resolve those problems.

We have to turn away from the old ways and from the old ideas. A constituent assembly, I submit, could well be that new way Canadians are looking for. It would bring Canadians back into the process of national renewal. The voices of Canada would most assuredly be heard.

The Conservatives and the Liberals argue that a constituent assembly would mean that we are not respecting the parliamentary tradition and the parliamentary process, that we are usurping parliamentary power.

Parliament would not be by-passed by a constituent assembly. It is in fact Parliament that would make that final decision. My leader had said earlier tonight: "The buck stops here". Although the constituent assembly would involve Canadian people in the process, that final decision still rests with Parliament.

I might add that once that final decision had been made by Parliament, we could well go back to the people for a final ratification of that consensus through a national referendum. This would ensure that Canadian people were involved in the process from beginning to end, that they had a stake in the results of that process, and that they had a stake in the future of this country.

What we are talking about here is fundamental reform, constitutional reform and parliamentary reform. We are all participants in the painting of a grand design for this nation. It is a challenge which we must share and it is a challenge which all Canadians must share. It is a challenge at which we cannot afford to fail.

• (2230)

[*Translation*]

Mr. Ferland: Mr. Speaker, my colleague for Okanagan—Shuswap alluded to the 101 legislation which is trampling on English language rights in Quebec in his opinion. Perhaps, my hon. colleague read too much from a certain press in English Canada and perhaps he has not tried hard enough to understand what really went on in Quebec under the 101 legislation. The only people's rights who were trampled on were the Francophones like myself who could not send their children to an English public school because both themselves and their wives were French unilingual, even though they were supporting English public schools in Quebec with their taxes.

My colleague seems to have forgotten the many anglophone universities, high schools, elementary schools, kindergardens and hospitals where every Anglophones can be served in English, even in Quebec City where they barely represent 4 per cent of the population. My colleague cannot say that in his region of Canada, Francophone minorities receive the same treatment as the Quebec Anglophone minorities.

Moreover, the hon. member mentionned the Meech Lake Accord and the vision we had of our country. The Meech Lake Accord were proposed as a mean to undo a wrong that was done in 1982 when the province of Quebec was excluded from the Canadian Constitution. I think that the Meech Lake Accord was fair to every Canadian. And the hon. member's party should have supported it. That is all I had to say.

[*English*]

Mr. MacWilliam: Mr. Speaker, my colleague makes a very compelling case about his own particular situation as a unilingual francophone. I sympathize with the arguments he has made.

It is not possible within the time structure of the debate to expand upon my comments more fully than I did except to say that what I was reflecting is not my personal bias about the situation in Quebec but rather the perception people throughout western Canada have of the whole situation with regard to the notwithstanding clause and the imposition of Bill 101.

That brings me back to the point I was making earlier. We have two realities in Canada and we have a problem with communication between our francophone friends in Quebec and the English-speaking western provinces. There are different perceptions. If Canadians could travel more across this country, if there was more opportunity for cultural exchanges, for educational exchanges between students from schools in western Canada, the prairies, the maritimes, Quebec, those communication barriers would begin to break down.

We have French immersion schools in my constituency. My two youngest daughters went to that school. Often that particular school does have exchanges with schools in Quebec. It is a great opportunity for those students to learn about other cultures and to learn the differences between francophone and anglophone Canada. That is precisely the issue. We have to learn to bridge that gap. I hope someday we can say that we have accomplished that.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, I welcome the debate of the hon. member for Okanagan—Shuswap. We had the pleasure of representing our country at the United Nations at one time so I know he

speaks with sincerity and has the best interests of our country at heart.

He quoted my colleague from Papineau—Saint-Michel as running down the constituent assembly idea. What he fails to do is put it into full context.

The member for Papineau—Saint-Michel asked how the constituent assembly can work when one of the provinces has already publicly stated that it will not participate in the process of a constituent assembly. I would like him to tell the House how his party plans to resolve this? It is pushing a constituent assembly at almost every debate I have heard. That is the one idea they have, yet one province has already rejected it.

I would like to hear from the hon. member just how his party plans to resolve this.

Mr. MacWilliam: I think the member has a very relevant point. I appreciate him bringing it up and trying to place some parameters around the comment that the member for Papineau—Saint-Michel had made earlier this evening.

The fact is that the argument the member makes refers to the political elite of that particular province. Although that political elite says they will not participate in a constituent assembly, when you ask the people of Quebec how they feel about a constituent assembly, 57 per cent of say "yes" to a constituent assembly, and 68 per cent of the people outside of Quebec say "yes" to a constituent assembly.

Clyde Wells of Newfoundland, Frank McKenna of New Brunswick, Bob Rae of Ontario, Grant Devine in Saskatchewan, all say "yes" to a constituent assembly. Just because Mr. Bourassa says "no" does not mean it is not possible. The people of Quebec also say "yes."

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, I was listening with interest to the speech by the member for Okanagan-Shuswap. I heard him mention the two separate realities in this country. I feel that he is over-dramatizing the differences some people think exist between Canadians.

I am a Quebecer and I do not detect these two separate realities. We are all human beings. We are all Canadians. Canada means something to many Quebecers, to the great majority of Quebecers I would say. What has been missing in the past few years is someone who can adequately articulate what Canada is all about to all Canadians so that all Canadians can see themselves within this great country.

Someone reminded me that it was Pierre Berton who defined a Canadian as someone who could make love in a canoe. I think we should reflect a little bit on—the Minister for International Trade suggests that I have the quote somewhat wrong, but that is almost it. I would suggest that we ought to think a little bit more about the things that we have in common, rather than the things that may set us apart.

[*Translation*]

Mr. Speaker, in the speech from the throne, the government indicated its intention to tackle on the constitutionnal issue. The government said that it would put forward new proposals designed to focus the debate on a more united and more prosperous Canada.

Some proposals were submitted to the Joint Committe of the House and the Senate on September and that committee will be required to consult Canadians. It will be asked to report to the governement or to the Parliament within a five months timetable.

• (2240)

We are talking today about the terms of reference and membership of this joint committee. During the debate on the Speech from the Throne, the Prime Minister mentioned the need to think of the national interest. He underlined that it was up to the Parliament of Canada to think of the national interest.

For a long time, Mr. Speaker, members of my party, the Liberal Party, have recognized that only the Parliament of Canada speaks for all Canadians. The provincial législatures only speak on behalf of the citizens of their respective provinces. Some national organizations represent the interest of women or native people, but the only assembly speaking for all Canadians is the Parliament of Canada, and this is why I said a moment ago that we need Canadian leaders who are capable of championing the national interest in this House.

We have to remember, Mr. Speaker, that we have here 295 elected members who represent all Canadians. Who could know better the wishes, the needs and the interests of Canadian voters, of the Canadian people, than the hon. members sitting here, in the House of Commons? Our duties give us a good appreciation of the general interest, on top of the particular interests of our constituents. Who could better than us reconcile the interests

of our constituencies, our provinces with the national interest, than the people in this place, Mr. Speaker?

I am glad that the Prime Minister recognized that no constituent assembly could be better than the House of commons, but we are not talking about that today, we are talking about the membership of the joint committee. This committee has to represent all Canadians. To this end, it must have enough members to be a good sample of the population. Without giving undue importance to the differences, let me say that it is necessary for the committee to be representative of the various regions, languages, genders, ethnic origins, ages and interests of Canadians.

However, the government proposal will not allow that representativeness. Let us look at our party, Mr. Speaker. We will have four members on the committee. We will have to select one member from each of the four regions. We will have one member from the Maritime, one from Quebec, one from Ontario and one from the West. The member from Quebec will, most certainly, be French-speaking. With only four members, the Liberal Party will not be able to have an English-speaking member from Quebec and it is unacceptable, Mr. Speaker, that 800,000 English-speaking Quebecers be without representation on the Liberal side.

[*English*]

Perhaps a Conservative anglophone would be picked, but I believe that many anglophones in Quebec would agree with me if I said that their point of view of the country has been better represented by Liberals in recent years than by Conservatives.

An hon. member: That is for sure.

Mr. Berger: Their interests would be better represented by Liberals on this committee. One would not think that the government needs to be told that anglophones in Quebec feel a certain anxiety about their future and would want to make sure that their views are expressed as we go about making important decisions about the future of this country.

In addition to the criteria I mentioned above, namely that attention be paid to the language of the members of the committee and to the regions that they will represent, I think it will be important to consider the interests and background of members of the committee. Of particular concern to me is the need for this committee to adequately address Canada's position as we enter the 21st century. Our leader, Mr. Chrétien, has talked about the need perhaps to address the division of powers—

* * *

BUSINESS OF THE HOUSE

STANDING COMMITTEE ON JUSTICE AND THE SOLICITOR GENERAL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, on a point of order, I apologize to the hon. member. There have been discussions among the parties to move some motions and I want to indicate before I do this that I am not trying to cut anybody off. I know the member from Annapolis Valley—Hants wishes to speak.

I have several motions to put, which I believe the House will consent to. I move:

That this House orders, having regard to paragraph 8(2)(c) of the Privacy Act that the Solicitor General cause to be laid before an *in camera* meeting of the Standing Committee on Justice and the Solicitor General unexpurgated copies of the report by Mr. John Weir concerning the escape of Daniel Gingras and the report by the Correctional Service Canada Board of Investigations concerning Allan Leger; and

That the *in camera* meeting of the committee take place with all the procedural protections normally accorded to *in camera* meetings, including a ban on the publication of the proceedings of the committee and on the disclosure of any information contained in the said reports which may be protected from disclosure under either the Access to Information Act or the Privacy Act; and

That this House takes note of the First Report of the Standing Committee on Privileges and Elections tabled in the House on May 29, 1991, and refers the said report and all the evidence and proceedings upon which the report is based to the House Management Committee for further study.

Motion agreed to.

BILL C-2

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That when Bill C-2, an act to amend the National Energy Board Act, is called for debate, the Speaker shall recognize one member for the government party, two members from the Official Opposition and one member from the New Democratic Party to speak for a period of time not to exceed ten minutes each, following which the Speaker shall

forthwith put all questions necessary to dispose of both report stage and third reading of said bill.

Motion agreed to.

BILL C-9

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That, when Bill C-9, an act to facilitate combating the laundering of proceeds of crime, is called for debate, the Speaker shall recognize one speaker from each of the three recognized parties to speak for a period not to exceed ten minutes each following which the speaker shall forthwith put all questions necessary to dispose of the report stage and third reading of said bill.

Mr. Riis: Mr. Speaker, on a point of order, I wonder if I could seek clarification from the government House leader. Regarding Bill C-9, one of the amendments proposed by the New Democratic Party has been accepted by the government, which of course would be dealt with at report stage.

Mr. Andre: The parliamentary secretary is not here this evening, but barring any change from this afternoon, it is my understanding that that one amendment would be recognized.

Mr. Riis: Mr. Speaker, we are prepared to certainly give our consent, with the clear understanding that arrangements have been made on that particular critical motion.

Some hon. members: Agreed.

Motion agreed to.

Mr. Dingwall: Mr. Speaker, on a point of order, perhaps when the parliamentary secretary is on his feet with regard to the motions which he is going to present in the next number of minutes, as well as those that have passed, I presume he will indicate that these motions will be called for tomorrow, namely June 19.

• (2250)

Mr. Cooper: Mr. Speaker, I can confirm that it is our intention to move these various bills and motions tomorrow, June 19.

BILL C-19

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Finance be authorized to pre-study Bill C-19, an act respecting banks and banking;

That the committee or a subcommittee hear witnesses and take evidence as it sees fit on this reference.

Motion agreed to.

WAYS AND MEANS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That, notwithstanding any Standing Order or usual practice of the House, on Wednesday, June 19, 1991, forthwith upon disposition of the Ways and Means proceeding concerning a bill respecting insurance companies and fraternal benefit societies (notice of which was given on Tuesday, June 18, 1991) the bill based thereon (notice of which was given on Monday, June 17, 1991) shall be introduced and read a first time pursuant to Standing Orders 68 and 69.

Motion agreed to.

INSURANCE COMPANIES AND FRATERNAL BENEFIT SOCIETIES

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Finance be authorized to pre-study the government bill on notice dated June 17, 1991, an act respecting insurance companies and fraternal benefit societies; and

That the committee or a subcommittee hear witnesses and take evidence as it sees fit on this reference.

Motion agreed to.

BILL C-22

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Consumer and Corporate Affairs be authorized to pre-study the government bill, C-22, an act to enact the Wage Claim Payment Act, to amend the Bankruptcy Act and to amend other acts in consequence thereof, upon the completion of a 10-minute speech from one member of each of the three recognized parties; and

That the committee or a subcommittee hear witnesses and take evidence as it sees fit on this reference.

Motion agreed to.

APPOINTMENT OF COMMISSIONER OF OFFICIAL LANGUAGES

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That, notwithstanding the Standing Orders and usual practices of the House, on Wednesday, June 19, 1991 during Motions and Routine Proceedings the following motion be proposed by the Prime Minister:

That, in accordance with subsection 49(1) of an act respecting the status and use of the official languages of Canada, Revised Statutes of Canada, Chapter 31, (4th supplement), this House approves the appointment of Dr. Victor Goldbloom as Commissioner of Official Languages for Canada.

That in debate of the said motion, the Speaker shall recognize one member of the government, two members from the Official Opposition and one member from the third party recognized in the House, each to speak for up to 10 minutes each;

And that following such speeches, the question on the said motion be deemed put to the House and deemed adopted.

[*Translation*]

Mr. Prud'homme: I raise on a point of order, Mr. Speaker, which pertains to this nomination of Dr Goldbloom, a personality which I have the honour to know, very well by the way. I do not wish to break this happy unanimity by saying that we will not give our consent to proceed so rapidly. I regret, and I wish to take part in future debates, which will take place this fall. Because I read again this nomination, on a very important subject, with all the constitutional problem, I simply regret, and I want to make it clear that I regret. But I will not refuse to give my consent, and this has nothing to do with Dr Goldbloom. I simply deplore the fact that we cannot discuss further this resolution of the right Honorable Prime minister. However, I will not deny this happy unanimity to proceed with the few speakers that you are proposing.

[*English*]

Motion agreed to.

Mr. Cooper: Mr. Speaker, I understood the hon. member well. He and I spent a great deal of time together in committees so I am familiar with his phraseology.

ROYAL ASSENT

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That, at any time during the adjournment of the House between June, 1991 and September 15, 1991, the Speaker may cause the House to sit for the sole purpose of giving Royal Assent to a bill or bills, following which the Speaker shall adjourn the House forthwith according to the provisions of this order; and

That, the provisions of Standing Order 28(3), respecting recall of the House for urgent and pressing matters, not be superseded by the provisions of this order.

Motion agreed to.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Public Accounts be authorized to travel to Winnipeg, Manitoba from August 11 to August 13, 1991, to attend the 13th Annual Conference of the Canadian Council on Public Accounts committees and that the necessary staff do accompany the Committee.

Motion agreed to.

STANDING COMMITTEE ON ENERGY, MINES AND RESOURCES

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Energy, Mines and Resources be authorized to travel to attend, with the necessary staff, the 39th Canadian Coal Conference in Banff from September 14, 1991 to September 17, 1991.

Motion agreed to.

STANDING COMMITTEE ON JUSTICE AND THE SOLICITOR GENERAL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Justice and the Solicitor General be authorized to travel to Whitehorse, Yukon, for the period beginning Tuesday, September 3 to Sunday, September 8, 1991 in order to participate at the National Aboriginal Justice Conference and that the necessary staff, the Clerk and the Research Officer, do accompany the Committee.

Motion agreed to.

STANDING COMMITTEE ON HUMAN RIGHTS AND THE STATUS OF DISABLED PERSONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That the Standing Committee on Human Rights and the Status of Disabled Persons be authorized to travel to Montreal and Quebec City on September 26 and 27, 1991 to hold hearings in relation to disabled persons and that the necessary staff do accompany the Committee.

Motion agreed to.

Business of the House

PRESENTATION OF COMMITTEE REPORTS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That notwithstanding the usual practices of this House, if the House is not sitting when reports of all committees are completed, the committees may report their findings by depositing their reports with the Clerk of the House and the reports shall thereupon be deemed to have been presented.

Motion agreed to.

BILL C-6

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I move:

That, when Bill C-6, an act respecting the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons, is called for debate, the Speaker shall allow 30 minutes of debate at report stage and 30 minutes of debate at third reading following which the Speaker shall forthwith put all questions necessary to dispose of third reading of said bill;

And, immediately upon the taking of such divisions, the House shall stand adjourned until September 16, 1991 at 2 p.m. subject to the House order adopted by this House at an earlier time.

Mr. Brewin: Mr. Speaker, I just wanted to confirm my understanding that the government has agreed that the Standing Committee on External Affairs and International Trade will undertake to study and report on Canadian exports of military goods, defence production policy and policies, to convert Canadian defence production industry to civilian uses, and to make recommendations for amendments to the Export and Import Permits Act, related regulations and the Criminal Code.

It will submit its report by December 31, 1991 to the Minister for International Trade. Once Bill C-6 is given Royal Assent, and pending completion of the parliamentary report, the government will include on the automatic firearms country control list, only the 10 countries with which it has the required bilateral defence research, development and production agreements, plus Saudi Arabia, assuming that the agreements being considered for that country can be successfully completed by December 31, 1991.

All applications to export automatic weapons to countries included on the list will be considered on a case-by-case basis in accordance with established policy, guidelines and procedures. The only sale of automatic weapons to Saudi Arabia between now and December 31, 1991 will be by GM Diesel of those mounted on the LAVs under the proposed sale to the Kingdom of Saudi Arabia by General Motors.

I further understand that the external affairs and international trade standing committee will establish a subcommittee before the House recesses, that the subcommittee will have the authority to meet this summer, and that it will hold public hearings, including some outside of Ottawa, that there will be a reasonable research budget and that the research program will be subject to all-party approval.

• (2300)

I would ask the government representatives to indicate that my understanding is correct.

Mr. Wilson (Etobicoke Centre): Yes, Mr. Speaker, that is our understanding.

Mr. Cooper: If the House were to adjourn tomorrow night, it may take until Thursday to get the external affairs committee to meet, to establish its subcommittee and to get up and running.

Mr. Brewin: That would be within the spirit of the understanding and that would be fine.

Mr. Riis: Mr. Speaker, just to seek one clarification on the 30 minutes set aside for report stage, presumably the understanding is that that would be sufficient time for the hon. member for Victoria to put the appropriate amendments forward at report stage.

Mr. Cooper: Mr. Speaker, the words "appropriate time" are obviously very difficult for me because I do not know what amendments the hon. members proposes or what other members may want to participate for a few moments in the debate. By allowing the 30 minutes, certainly it is our intention to co-operative with the hon. member to give him his opportunities and others as well.

Mr. Nowlan: Mr. Speaker, I have not been a party to a lot of these interesting discussions, but I certainly understand the purport of them and I certainly appreciate the work of the parliamentary secretary. However, since we had such a long-winded undertaking from the member for Victoria on certain precise understandings, I will not get into my whole thought about what a lack of opposition there is over here and no wonder the government is

riding pretty high even though it is low in the polls. I will not get into that.

In effect this would normally be the adjournment debate. I do not want to preclude that, but I am prepared to participate in it. Therefore, since the hon. member for Victoria came through with his long-winded obligation that someone over there said "okay", I would like to know, if I understand things correctly, does that mean if that motion goes through that the defence committee will not meet to consider the implications of what we all know are going to be interesting, disturbing and necessary announcements about defence capability and base situations in Canada.

Second, as an old chairman of the transport committee, could I ask a question of the parliamentary secretary. He is trying to do a good job and doing it well. He is not disturbed by his House leader or the Whip, thank God. Could the parliamentary secretary let this lowly member know, as an ex-chairman of the transport committee, does this motion mean that there is going to be a full summer until September when the transport committee is not going to meet to consider a multitude of things including the port of Halifax and our Atlantic ports, notwithstanding the position of At and East?

Mr. Andre: Mr. Speaker, in terms of the defence committee, no, this does not preclude the defence committee meeting to discuss a possible new announcement on defence policy which might come up. That would be the intention.

The only reason for the indication of support from the member for Victoria was the external affairs committee could of course meet and do this anyway. He wanted the assurance that there would be a reference from the House in that regard. We simply give him that assurance.

As for the transport committee, I do not know if the chairman is here tonight, but there is certainly no prohibition against spending all the months of July, August and September if they choose to do that.

The Acting Speaker (Mr. Paproski): The house has heard the terms of the motion by the hon. parliamentary secretary with the provisions by the hon. member for Victoria.

Is it the pleasure of the House to adopt that motion.

Some hon. members: Agreed.

Motion agreed to.

Mr. Prud'homme: A point of order.

The Acting Speaker (Mr. Paproski): The hon. member for Saint Denis.

Mr. Prud'homme: It is too late, it has already been adopted. I just wanted to put that on record. It is good for me to put that on the record for future debate. It seems to me that when Bob White speaks the NDP gets in line.

The Acting Speaker (Mr. Paproski): Order, please. The hon. House Leader of Her Majesty's Loyal Opposition on a point of order.

Mr. Dingwall: Mr. Speaker, I think all hon. members would want to extend their appreciation to our colleague from Saint—Henri—Westmount, who was so kind as to give the floor to the parliamentary secretary to the government House leader in order to introduce those motions. I want to thank him on behalf of all members for his co-operation and his courtesy.

Some hon. members: Hear, hear.

* * *

NATIONAL UNITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE

The House resumed consideration of the motion of Mr. Clark (Yellowhead) (p. 1912); the amendment of Mr. Ouellet (p. 1924); and the amendment to the amendment of Mr. Bird (p. 1970).

Mr. David Berger (Saint-Henri—Westmount): Mr. Speaker, that is the biggest hand I have ever received in this House. It shows that if you are patient, some good things come from it once in a while.

I lost my audience in the gallery while this was going on. Perhaps there are still some people out there in television land.

Prior to the points of order, I was saying that I had a particular concern that the special joint committee on the Constitution adequately address Canada's position as we enter the 21st century.

[*Translation*]

A month ago, the leader of our party, Mr. Chrétien, dealt with the division of powers in his constitutional propositions. He advocates a functional approach. Interests of the population, not those of governments or of civil servants, must come first. He also says that a reform of government powers should always have enough flexi-

bility to allow Canada to face the challenges of the Twenty-First Century.

Mr. Speaker, I was staggered by the speech of the member for Mégantic—Compton—Stanstead, a member of the Bloc Québécois. His words were absolutely nonsense. He defended the new separatist theory according to which Canadian federalism is the cause of our social and economic problems.

Mr. Speaker, during all my years in Parliament, I have had the privilege to listen to several distinguished persons who were concerned by the position of Canada in a constantly changing world.

Mr. Speaker, not one of those persons concerned with the future of Canada in a world in evolution has lamed the Canadian federalism for our problems. Far from that, they all say that our problems are caused by our incapacity to adapt to economic and technological changes.

Mr. Speaker, the committee must listen to those people who have a vision of the future. I think of persons like Larkin Kerwin, the president of the Canadian Space Agency, the president of the Canadian Institute for Advanced Research, the president of the Science Council of Canada, or to the astronaut Marc Garneau.

• (2310)

Mr. Speaker, economic arguments support federalism. Mrs. Sylva Ostry, former president of the Economic Council of Canada, who has spent many years at the OECD, said recently, in an article published in the *Globe and Mail* and in *Le Devoir*, that Europeans have joined in a common market for economic reasons, because they were concerned with their jobs. They understood that it was necessary to consult each other to compete with Japanese and Americans. Research and development has become too expensive to be undertaken by a country alone or by a company alone, and without joining with our countries, Mr. Speaker. Sovereignty has no place in the global village of today. If Canadians want to succeed, they must not be divided but they have to work together and find new mechanisms of cooperation and dialogue.

I hope, Mr. Speaker, that the joint committee will deal with those issues in order to secure the future of Canadians, of our children and granchildren.

[*English*]

For the reasons I have mentioned I believe that the government's proposal is deficient. I understand that an amendment has been proposed by a member of my party, the Liberal Party, which would increase the representation, the number of MPs who would serve on this committee and would therefore ensure that it could better represent all of Canada and all of the interests that are important to be heard in this debate. The government should not proceed with its proposal unless it accepts our amendment. This is not the right way to begin the important work of this committee. I hope that the government will listen to our proposal and ensure that this committee gets off on the right foot.

Mr. Nowlan: Point of order before we get to comments.

I do not want to interfere with comments. I understand the problem the former Minister of Finance has, the present minister of whatever-he-is, in trying to negotiate a playing field between Carla Hills and the Mexicans.

In view of the motions we just approved a moment ago we may adjourn for the summer recess. Otherwise I am going to be raising this every day. I want the Chair to make a ruling on what I thought was always a fundamental element of parliamentary proceedings—but I understand the government does not fully appreciate parliamentary proceedings—that there must be a minister of the Crown in the House while we deal with Crown business, the business of the taxpayer. Quite frankly the whole essence of this place, I thought—and I may be wrong—is that when you deal with the business of the people there must be at least one minister in the House. We go through this hypocrisy and charade of petitions at one stage of our proceedings but when the House is in session it is not supposed to be a charade.

I always thought there was supposed to be a minister of the Crown present. In fact two ministers, one who could listen and a second who could be called upon by the Chair to say moved by minister so-and-so and seconded by minister so-and-so and say: "What the

member for Antigonish said was correct and we can put this into the bowels of the bureaucracy and see what will happen".

I am not asking for a ruling tonight. I do not mind the government backbenchers in the lowly corner where I used to sit, before I came to sit here as a backbencher in opposition, but I must say as I sit here in opposition that 25 years ago—and I have come full circle because I am about three seats from whence I began—we always had two government ministers in the House. Never in my life, knowing what I thought about parliamentary democracy and what I thought the Conservative Party believed in terms of parliamentary democracy, did I think I would ever see the insult that has developed over the last few weeks into an affront, as far as I am concerned, to the public of Canada.

I understand the government backbenchers for statements, I understand them for questions, but I do not understand the Speaker recognizing three or four—just a minute.

The Acting Speaker (Mr. Paproski): The hon. member has made his point, but I will listen to him further.

Mr. Nowlan: My point is this. I want the Chair to take this upon itself. My thoughts after 20 some years may be wrong but perhaps we should not have any members of Her Majesty's Privy Council sitting in Her Majesty's Privy Council seats to pick up their frigging pay, to pick up their frigging pensions and to pick up the problems of the people.

If that is the problem, I want the Chair to tell me, and it will not be bothered with me on this issue.

The Acting Speaker (Mr. Paproski): The hon. member has made his point. I will look at it and also will—

Mr. Nowlan: When are you going to rule, before we adjourn?

The Acting Speaker (Mr. Paproski): We will see what we can do tomorrow for the hon. member.

[*Translation*]

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I have listened with great attention to the speech of my colleague opposite, the member for Saint-Henri—Westmount. I have appreciated part of what he said but I certainly could not appreciate as easily all of what he said, whether he said it in his nice French or in his elegant English. It seems to me that I would like to talk about— Do I have to end my remarks, Mr. Speaker?

The Acting Speaker (Mr. Paproski): No.

Mr. Hogue: So, because it seemed to me that the hon. member from the opposition would be kind enough to stand up and be recognized, he could also be decent enough to listen when someone else has the floor, Mr. Speaker.

So, I go back to our colleague from Saint-Henri—Westmount and I find it sad, even extremely sad that, perhaps without realizing it, he used an euphemism which, because of the very fact that it was an euphemism, made the situation very dangerous.

At the very beginning of his speech, he said that we should not overdramatize differences, that we are all human beings. I think that is an euphemism and a very dangerous statement. In fact, human reality is based on the difference between individuals. Human reality and social reality are based on the recognition of differences. The recognition of differences— we are not citizens of the world. I am a Canadian citizen, born in Montreal, living in the province of Quebec and that is what makes me different from Americans and people from other countries. And I am sure that our opposition colleague will want to correct his words or express with less audacity that euphemism which is dangerous and which can only feed such unstructured statements as those that we heard tonight from one of the Bloc Québécois members.

Mr. Berger: No, Mr. Speaker, I do not wish to retract. I recognize many differences. I might even say: *Vive la différence*. Moreover, I might even add that federalism is a system that allows for the difference. Having said that, I think I have already mentioned that overdramatization must be avoided. In spite of our differences, we all have certain things in common, certain things which hold us together. In my opinion, those who enjoy the privilege of being members of this House should talk more about these things which unite us and less about differences. Let others talk about differences.

• (2320)

M. Prud'homme: My comment will be very brief, because it is a debate that will never end, probably, between some of my colleagues and me. After listening to my colleague, and it is not the first time, I think that

we will never agree on some aspects of federalism. We should be careful—and it was true long before my honourable colleague, the hon. member for Saint-Henri—Westmount, arrive in this House—with those who think that everything beautiful, noble, great and intelligent always comes from Ottawa.

[*English*]

I have travelled enough in your province and in every other province of Canada to know that a lot of good can come from provinces. That is why I am not an absolute, total *centralisateur* and I believe that this country will only survive if we understand that on various levels of government a lot of good could be created.

It reminds me of when I arrived. My father told me: "Beware of people whose policy is 'Father knows best and the rest of you all across Canada know nothing.' "

There is a tendency for those of us who are here in Ottawa to neglect and not recognize that in various parts of Canada there is a lot of good that can come from various provincial governments.

Earlier, to a colleague of mine from the Atlantic, I said: "I am afraid some morning we may get up and see Canada does not exist any more". Simply out of boredom people will be so fed up they will give up. Or others, and this is more dangerous, will say, like the hon. Minister of Transport, and I am astounded that my hon. colleague and the Minister of Transport may have something in common, that there is no problem. The Minister of Transport keeps saying there is no problem and so he is not going to address how bad the situation is in Montreal.

I can tell him that he has members of Parliament from the government, the member for Bourassa and the member for Outremont, who are better prepared. I am going to ask the Prime Minister of Canada to ask these people if they think that the situation is so great in Montreal. I would not like to embarrass them by saying that, but I know they realize the situation is bad. My colleague seems to say: "Oh, do not worry, there is no problem".

The situation is very serious. I am not preaching: "Do not go to bed tonight, you know bad things are coming tomorrow morning". The seriousness, however, of this debate is real. We must not encourage people to go to sleep too easily and say: "Do not worry, everything will be all right; big daddy in Ottawa knows what to do."

I would hope my colleague will at least share that with me; that the situation is serious. He should recognize, point number one, that the situation is serious and point number two, that simply because we are in Ottawa does not mean that all the public servants know all the answers. A lot of good can come out from the provinces. That is why I am a *decentralisateur-fédéraliste*.

[*Translation*]

Mr. Berger: I never said that Ottawa has all the answers, Mr. Speaker, far from it. But I think it is necessary to maintain a certain balance between the provinces and the federal government. That is the essence of federalism. I can give my colleague the example of medicare, which may have come from Saskatchewan, but which was developed nationally by the central government, which, ultimately, is the only government capable of acting at the national level, for all Canadians.

I will remind hon. members of the resistance that our province of Quebec opposed through the years to different social initiatives of the federal governement. In the 1930s, Quebec governments were opposed to family allowances. They quoted approving by Clemenceau who said that the State had too many children to be a good father. In the 1950s, Duplessis opposed medicare. He said that good health was God's business and had nothing to do with the Reds in Ottawa.

So, it is important to recall our history—

Mr. Prud'homme: That is not what he said. He said the only insurance against illness was good health.

Mr. Berger: That's right. He said: "The only insurance against illness is good health and that's God's business and has nothing to do with the Reds in Ottawa".

So, it is important to recall our history, Mr. Speaker.

[*English*]

Mr. Flis: Mr. Speaker, "Ask not what your country can do for you. Ask what you can do for your country". We all know where that statement came from. It will live on, probably, as long as there is life on this earth.

The one thing lacking in the whole constitutional debate, in the whole process of setting up a committee of 15 members and 10 senators, is this very question: "What can I do for my country?"

I rise to put this on the floor of the House as an idea for the committee as it travels across this country, to sensitize Canadians to ask: "What are my duties to my country as a Canadian citizen? What are my obligations to my country"? People born in Canada very seldom ask themselves that, because they are automatically Canadian citizens. People who come to Canada and apply for citizenship do at least take an oath. In that oath they stress their duties to this country.

My obligations, my duties to this country can be summarized very simply in one word.

An hon. member: Let us hear it.

Mr. Flis: The member says: "Let us hear it". Well, here it is and I hope you will remember it for as long as you live. The one word is "respect". Respect for others, respect for property and respect for authority. If we can build that into our Constitution, a simple rule that children in kindergarten can learn and will be better Canadians for the rest of their lives. Respect for others. Yes, respect for our aboriginal people. Respect for the anglophones, the francophones, whether they be in a majority or a minority situation. Respect for allophones and their languages and their cultures. Respect for the physically handicapped, the mentally handicapped.

When the provincial government turfed out the mentally handicapped from Queen Street Mental Hospital without any support services there was not much respect shown by politicians for those mentally handicapped. I have many of them in my riding of Parkdale who are still suffering.

Respect for seniors, to ensure that for as long as they live they have respect and security and an adequate income in this country. Respect for children providing adequate day care.

If we can build respect for others into the Constitution, it is my duty to respect others and to ensure that others are provided for. Respect for property. If Canadians grow up from day one with this respect for property, they will respect the water to make sure it is clean for drinking.

• (2330)

They will respect the air that we breathe and not put pollutants into it. They will respect the land that grows our food to feed not only Canadians, but the starving, the dying in Ethiopia and in other countries. Respect for property means respecting our forests, our trees.

Just three weeks ago I was with the Canada–Europe delegation in British Columbia and the members from the European Parliament were horrified to see the clear cuts on our mountains. I hope they do not pass a resolution boycotting our forest products. We tried to show them the excellent reforestation programs we have; planting two trees for every one we cut out. Respect for authority has to be built into the Constitution.

As a Canadian citizen, one must go off with respect for authority, for this House and for all the parliamentary traditions that you, Mr. Speaker, try to preserve. You did that just this afternoon because one member was breaking the rules of this House and you drew it to his attention. I am sure he will respect this institution much more from now on. There must be respect for the legislatures, for the laws, for the courts, the police who enforce these laws and for the Constitution which we will finally hammer out for Canadians.

I do not want to take much more time, but I do want to put on the floor of the House that somehow in this process of coming up with a revised Constitution, we must put in: "What is my duty and my obligation to this country?" And not just: "What can I get out of this country?" Every group and everyone is trying to milk it for all they can. No, let us turn it around and say: "What can we do for our country?"

I think we can summarize it in the one word "respect", respect for others, respect for authority, respect for property.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I have a brief question for my friend. He delivered a very thoughtful speech. He talked about respect and one of the things he mentioned most prominently in his speech was respect for property rights. I wonder if he is prepared to support an amendment to the Constitution which guarantees property rights for Canadians.

Mr. Flis: Mr. Speaker, as usual the minister was not listening and this is why I am glad the hon. member before drew to the attention of the House how ministers do not attend on that side and do not even listen.

I did not say "respect for property rights", I said "respect for property". The desk that the hon. member is sitting in is property. He should not be defacing it. He should be respecting it. That is what I mean by respect for property. I did not mention rights. I said respect for property which a kindergarten or a grade one student can learn, and respecting this Constitution by doing so.

Mr. McDermid: I was trying to ask him a question which he did not answer, obviously. I asked him if he was in favour of placing property rights in the Constitution. I want the record to show that he did not answer that.

He did not respect the rules of the House when he drew to the attention of the House the absence or the presence of people in the House. He did not show respect for the rules of the House.

The Acting Speaker (Mr. Paproski): Does the member for Parkdale—High Park wish to respond to that very briefly?

Mr. Flis: Absolutely, Mr. Speaker, absolutely. I respect the fact that the hon. minister is in his seat listening to my debate. Again he did not listen. I drew to his attention, when the hon. member from Canso—Hants drew to this House's attention, that there was no minister previously in this House. That again is showing no respect for this institution because in this institution, through precedents, there always has to be a minister or two.

By ignoring that, they are again showing disrespect for this institution.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, in the context of questioning, might I enter this debate about property, pursuant to the remarks made by the hon. member from Parkdale—High Park about respect for property.

It is unfortunate that the hon. member set himself up to be asked what was obviously an attempt to put him on the spot with respect to property rights. I cannot be put on the spot about that. I do not want to have property rights in the Constitution.

I remember so well how this has been used against various people, attributing the lack of property rights in the Constitution to various parties and/or governments. The fact of the matter is that it did not go into the Constitution in 1981 because there were provincial governments that did not want it in, Conservative provincial governments that did not want it in, and federal political parties like the NDP that did not want it in. There was a combination of reasons why property rights did not go into the Constitution. Anybody who wants to be honest about why those rights are not there would admit that. The member who spoke was there at that time and knows that to be true.

The problem is that we have had too much respect in this country for private property, and not enough respect for the common property called the environment. We have not had enough respect for the property of us all as human beings: land, air, water, sea, and soil. These are the things that belong to all of us and to all generations. Those are the property rights for all generations that the member should spend more time thinking about, and less about how he can enshrine in the Constitution the property rights of people whose private property rights have already done enough damage to the environment.

Mr. Flis: It just goes to show who was listening to my debate and who was not.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I appreciate the opportunity to speak in this debate on the motion. I know that time is moving on and, in view of all those motions we made earlier, there is pressure to get out of here.

The hon. member for Portneuf, who participated in questions earlier, is starting to giggle back in the back row after he spoke about two solitudes. He is a friend of mine to a point, but I could get very emotional about the motion before the House. As some members across the way know, it was basically a motion of this type a year ago that was my moment of truth with the government party. Certain events which followed finally caused me, as I said in caucus, to no longer be able to put up with some things I heard, basically political intellectual dishonesty. I stayed out of caucus and then the next fall I formally broke from the government and the party, I had been a member of for 20-some years, more than the years of any of the members that I see opposite.

Let us not kid around on this motion tonight. I debated whether I should even participate in this motion because I understand the desire of Canadians from all parties and all segments of the country to try to put this place back together again.

Humpty-Dumpty was on the wall a year ago. June 23 was the catch line and the demarcation line and the deadline. Humpty-Dumpty fell off, Meech Lake fell off, and the country was going to be forever ruined. Yes, the country has been forever changed.

Humpty-Dumpty fell off the wall because of rolling the dice and all those things we are not supposed to speak about now. We are not supposed to be negative. We are not supposed to talk about all the things that happened but look ahead and try to solve the future.

I agree with that but unless we realize what happened we are not going to solve the future.

• (2340)

That is why this motion tonight introduced understandably at the eve of our summer recess is not going to get the attention it deserves. However, I give full credit to the government this time, not last time, because at least this time it is allowing an open debate. Some of the members opposite, especially the then Whip and a friend of mine, now the Solicitor General—he was the government House leader. I sat in the House for three days to make sure there was at least a debate on Meech Lake.

Finally the government House leader acknowledged my presence and was honest with me and there was an abbreviated debate. My friends opposite, and my friends across this country I think we know now that the fundamental problem with Meech Lake, with all respect to the Prime Minister with whom I have great problems over Meech Lake, was not just the rolling of the dice. The problem was that there was not a full debate in the House of Commons on Meech Lake before June 23. You can say what you want about free trade, but there was a very vital debate concerning free trade in this House. There was an election campaign and then there was another debate in this House, as we all remember, as things were forced through before the gong came down before Christmas and it was put in place. There was a debate.

I am not going to castigate my colleagues who speak sincerely on something so fundamental to us but I have never heard so much claptrap in my life on something so fundamental. At least there is an opportunity to ventilate what some may think is claptrap but what others may think are interesting ideas.

I think the fundamental thing from all the speeches on this motion—I give full credit to the government for bringing the motion in and it is an open-ended motion to which all members can speak. There is no cut-off. There is no little deal. There is no little back room agreement to cut it off when all parties had the conspiracy of silence. I say to the supine, sterile NDP and/or the Liberals and/or the government we did not have the debate in the House of Commons then but at least we are having the debate now on setting up the committee.

I think, without getting too involved emotionally—which I am—at least there is a feeling in this House and there is a feeling across the country that people should participate. Not just the frigging politicians, not just the frigging sterile premiers, not just the Prime Minister—who is a tremendous poker player with the premiers—but the people. The great problem is how do they participate. Is it with another address to an august joint committee which travels around the country?

If the member from Vancouver or wherever wants to speak to the Chair let him speak to the Chair in his time. Otherwise I will call him what he is, but I would not dare because I am very serious on this issue, and he was too and I give him full credit. He was one of the few members in this House who was against the conspiracy of silence on Meech Lake. Therefore, I am very disturbed that he is trying to interrupt the Chair when I am trying to speak on something so fundamental because the government has allowed us to speak and I guess, when the motion comes, I will vote for it.

Frankly, time has moved beyond the motion and this is what is sad to me. While we all talk about the public participating, the public has participated until it is coming out of their ears. Constitutionalitis has become a fog over Canada. All the experts are talking about this and that. We all know it is important. The fundamental thing is that this Parliament of Canada, this high court of Canada, this Constitution of Canada that is here in the House of Commons is dead. It is beyond the boards. Other things have happened, be it Quebec and the Bélanger-Campeau commission—and I wish a member from Quebec would say, and I wish the member for

Portneuf would say, or the other member who was on the Bélanger-Campeau commission would say, Dr. Hogue, the member for Outremont, and he is a good friend of mine—I wish someone would say, especially on the Liberal side, that the Allaire report was commissioned by the Liberal Party before Meech Lake fell.

As I understand it, the Allaire report was there to study the options with or without Meech Lake. Then we had the Bélanger-Campeau commission and now we are going to have the Spicer report and now we are going to have the Beaudoin-Edwards report.

Is it any wonder that Canadians are totally confused as to what really is going on? Here we are, on the eve of summer recess. When we all met here in all our rhetorical flourishes—and it is important, it is fundamental—but the sadness is I think a lot of Canada has gone by us. This is why the Reform Party has arisen and that is very dangerous. This is why the Bloc Québécois has arisen and that is very dangerous.

I am not a Reform person but I can tell you that when the Parliament of Canada is silent on fundamental issues no wonder—nature abhors a vacuum, it is a law of science— the Reform moves in with superficial messages that frankly have to be analyzed. It is a seductive message. I say this for all of Canada because there may be someone watching tonight regardless of who is in this House. One of the beguiling messages of the Reform, which is close to being anti-French or anti-this or anti-that is that it says: "Hey, Quebec, we will deal with you if you decide to come into Canada. Then we will talk to you and/or run candidates in Quebec".

Mr. Speaker, you are a lawyer, and there are some other lawyers around here, and we are all practical people, because we all got elected and we all understand people. Where did you ever hear of a situation where you are going to talk about the living arrangements after the divorce? That is part of the beguiling seductive message of Reform: "Hey, we won't talk to you until you come in". I am scared to death of Reform because of its seductive, beguiling capacity to woo English speaking Canadians in English speaking Canada and the Bloc Quebecois—which I won't waste much time on because I don't understand them—that is Quebec and that is French Canada. Yet, that is not the totality of Canada that we all love.

Yet, a lot of English speaking Canadians are supporting the Reform Party—and the Reform Party was not even mentioned in this motion which talks about Canada because we are all supposed to be too nice, we are not supposed to talk about the realities.

I am going to talk about a fundamental reality in my closing, which is not going to make any members across the way happy—and I shouldn't perhaps say what I am going to say. I am on-side in terms of trying to figure out what the answer is. I do not have the fundamental answers.

I agree with some of the comments made opposite, and here, that perhaps this parliamentary committee is a pseudo committee which has been committed to death, and a quasi-constitutional assembly.

Quite frankly, if I had my way I would have done it a little differently. We are trying to play catch-up ball. I must say that you have to accept the blame where the blame is, because if it wasn't blame you would take the credit. The Government of Canada has to take the blame for the fact that we are trying to play catch-up ball. We are trying to play catch-up ball because of the mess of last year. You can't blame it on Clyde Wells. Oh, yes, it is easy to blame it on Clyde Wells because he is an anglophone, he is a WASP but you do not want to blame it on Elijah Harper, who is an Indian with a feather on his head. He waved the feather all over the Manitoba legislature. Oh, no, it is easy to blame. Let us not talk too much about individual blame but collective blame has to be on the government of the day.

So now we are trying to pick up the pieces. We will have the Spicer commission coming through some time. We will have Beaudoin-Edwards coming through. These individuals are all nice Canadians.

• (2350)

What disturbs me is that here we sit during the summer. I am all for a summer recess. I am glad we are getting out of here. However, if this is the fundamental issue, if this is the issue that is going to break up Canada when we have had wars off-stream that were going to break up the world, why do we not have a Parliament that meets in a national coalition or a union Parliament or something like that? If this is what the stakes are, are we still going to play our partisan games?

I think my time is getting pretty close. I guess I will vote for the motion, because at least it is another move, another pause, another deflection in law that we call a traverse. You traverse the issue so that you never have to face it. That is kind of what we are doing here in this Parliament of Canada. We should be involved in it and should have been involved in it right from day one after we knew Meech went down the boards and we had the summer of discontent that we had last summer, but not the summer of zombie land that we are going to have this summer. Then this committee is supposed to be struck by independent means and there are to be conversations with House leaders to get the 15 or 20 members who meet in September. Then they are going to travel the country again, a country that is so travelled out with constitutional committees who is going to listen?

I agree with members of the NDP and perhaps the Liberals. I think, perhaps not tonight or perhaps not when we adjourn Wednesday or Thursday,but when we have the Spicer commission and we have the Beaudoin—Edwards report, that we should have the government response. Let us find out if there is someone to get together. If it is that fundamental, as we all know it is, we could call the Parliament of Canada back and get to work, all of us.

On that uplifting, positive note, I am going to say the following. Maybe I should not say it, because it is not positive or uplifting.

You are telling me, Mr. Speaker, that my time is just about over and I think it is. I feel sad about the Prime Minister. I do not think he feels as sad about me but, frankly, we are two Irishmen. We had a lot to give to each other. I had a lot of parliamentary experience and he had none, and that is part of his problem. I have a lot of knowledge about Canada and his was confined to Quebec and the board rooms of the Iron Ore Company of Canada. Many members will not know that I worked for the Iron Ore Company of Canada before Brian Mulroney ever became the president of the company. I was a surveyor on the Iron Ore centre line, sent up the Moisie River from Seven Islands, before it was called Sept Isles, up to Knob Lake, to Schefferville. It was ironic that he became the president and I just became a member of Parliament; then he became my leader and here we are tonight.

I say this in the nicest way. I am glad the member for Brampton is giggling because he is one of the first to be affected. I say this without getting too political on a fundamental issue, and I really say it seriously. Let us have the Spicer report. Let us have the Beaudoin–Edwards report. Let us see where the government makes its decisions and the caucus is going to go. I will not get on the caucus because its members are nice friends of mine. Frankly, this caucus could have had different directions if it had made its decisions and was prepared to bite the bullet, but it did not.

We are now at this stage. We are going to have those reports. They are supposed to be the blueprint for Canada. We are behind the eight ball. Therefore, I should not say what I am about to say. Unless the reports come out and unless the government makes the right move, at a certain stage next year the Prime Minister, my Prime Minister, your Prime Minister, the Prime Minister of Canada, has to decide what is best for Canada. I will accept him at his word, that the next election is not the issue. I agree with that. Canada is the issue.

If he honestly believes that, then I think this Prime Minister at a certain stage, not to be a lame duck totally, when and if we can get certain things done has to do the same as President Johnson of the United States and say to Canada: "Look, Canadians, I am not here for the next election. I am here for the sake of Canada. Let us hope that we can get some agreement to make this Canada we now know work in a fundamentally changed form"—and I am prepared to agree—"but I am not here to reap political benefits".

If we cannot get a union coalition type of situation, which I am afraid we cannot, I think that is naive, then I think my Prime Minister, your Prime Minister and the Prime Minister of Canadians has to decide at the right time and it has to be within a year. He must be able to make the unity message and to get the polls to turn around to say to Canadians: "Look, Canada, I have put this together. I have tried. I have done all of these things. We have got these people working. This is what we have come up with, Quebec, if you want it or not."

Whatever the responses are, the Prime Minister by this time next year if things have not turned around totally, and I do not know who said what there but I am very serious and this is a very serious thing to say, has to

decide to do the honourable thing, not only for the country but, my friends, to save the Tory party.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I will be very, very brief. When my friend speaks he knows the affection I have always had for the Nowlan family because I sat with his father and his father was a good friend of mine when I was a student at university. He taught me so much about parliamentary process and procedure and many other things which were interesting to learn when you go around Parliament.

I cannot do otherwise but be highly interested in the suggestion he made. The beauty of the parliamentary process is that we listen to each other. Some people do not listen, but I like to listen to what people may have to say and you forget if there is nothing to remember.

He made two proposals tonight and if he would be kind enough, I would like him just to elaborate for a few minutes because I know other members would like to question him. He made a proposal that it would be advisable and possible, if if we are to adjourn tomorrow night, to be sad that we will not have a chance to debate the Spicer commission report and the Beaudoin-Edwards report. I would not mind if Parliament were recalled for a day's debate on each of these reports. Would he kindly elaborate on this new and fresh idea? He is the only one who made this suggestion.

Mr. Nowlan: I appreciate the comment from my good friend from Saint-Denis. That is the point. I agree, let us not open this place to have the opposition run riot with a multitude of problems. I do not see why the House leaders, who have made so many interesting agreements tonight to get us out of here tomorrow, could not make an agreement provisionally to come back here. I do not want to come back here, but this is a fundamental issue.

I think this would at least flag the fact that the Parliament of Canada, the Prime Minister, in a very good speech he made here in the House and one in Toronto and one in Quebec, said that parliamentarians were going to be fundamentally involved. I think it is unnatural. What is the alternative? We have these reports coming in and we sit here in the slumber of summer and then we stagger back here in September all fit and gung-ho with all our other individual problems which affect members and/or aim criticism at government. We all understand this because you and I, and I hate to say it because you, Mr. Speaker, are supposed to have a halo in the Chair, used to sit in opposition. I am still there in this interesting hybrid situation.

I am glad for the question from my friend because I think it would be an impetus to get the Parliament of Canada involved in this issue, not in a multitude of issues and perhaps not even Question Period unless it were on the Constitution. You can devise certain ways to do it and at least we would be back in the ball game rather than trying to catch up. I can say this; come September we are not going to be catching up. We are going to be very partisan and we are going to be behind the eight ball. In some ways, Canada is behind the eight ball.

• (0000)

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, during his speech, my colleague from Annapolis Valley—Hants said that I did not understand very well what happen with the Meech Lake Accord and that it might somewhat be unfortunate for me.

I would like to say something to my colleague, for whom I have a lot of respect—he is an old timer in the House of Commons—and I also have respect for the decision he made when he decided to sit as an independent because he was opposed to the Meech Lake Accord. I respected his decision. I must tell him that I, like the majority of Quebecers, have never perceived the failure of Meech as a denial, by English Canada. Quite the contrary.

All that Quebecers and the rest of Canadians saw on TV, was that ten provincial premiers and one federal prime minister signed the Meech Lake Accord. Everybody saw that. What was difficult to understand or to recognize for Canadians was the fact that two premiers reneged on the deal. The first one did not do anything and let the aboriginals representative take the blame rather than assume his responsibilities as premier. The other one simply did not keep his word.

That is what I perceived, as a Quebecer and as a Canadian, and I believe that the majority of Canadians had the same perception. I would like my colleague to

give us an explanation, because he added something else in his speech when he talked about the silence plot on Meech. I have never heard about such a plot. The hon. member and myself were members of the same caucus; we got the same informations and, as far as I know, everybody was aware of what the Meech Lake Accord meant.

So, I would ask him to clarify, for the members of this House, and for the Canadians that are listening, if there is still some at this time, what he meant by this silence plot on Meech.

[*English*]

Mr. Nowlan: Mr. Speaker, my friend, who is a very conscientious member, has asked me a very serious question. Actually, there are many parts to this. I used his name because I heard his earlier intervention when he commented about Meech Lake and said that this was a denial of English-speaking Canada against Meech Lake. That is really why I mentioned the name of my colleague earlier. It was not a denial of English-speaking Canada against Meech Lake. As he says, there were 97 per cent of Canadians, representing all the provinces except one, and then there was Manitoba in between that were sort of for Meech Lake. But the conspiracy of silence was very definite. And if the hon. member does not understand that by now, then that is part of the problem with the Conservative caucus. There was an agreement between the Prime Minister, the then leader of the Liberal Party and the then leader of the NDP. Those two have changed. I can tell you I sat just about where the member was sitting, only about two seats up in the corner, and I sat there for two days to make sure that we at least had a debate on the motion to refer the Meech Lake matter to a joint committee that sat in the summer. That is what I mean about the conspiracy.

Don Johnson, the former member from Westmount, or wherever it was, by this time, was out of the Liberal Party. He was seated around here. Now he happens to be president of the Liberal Party, but that is immaterial. He and I, and I was here longer than he, I have to say, in terms of my attendance in the House, tried to force a restricted debate. We have had a better debate already on this motion and more participants than we had on the Meech Lake proposal, if you will check *Hansard*.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, there have been discussions between the parties and I believe that the House will give its unanimous consent to the following proposal.

[*English*]

I move:

That the debate be allowed to continue until no further member rises in debate, at which time the question will be deemed to have been put on the subamendment and the subamendment will be deemed to have carried on division, following which the question will be deemed to have been put on the amendment, as amended, and the amendment, as amended, will be deemed to be carried on division, following which the question will be put on the main motion and the question will be deemed to have been put and deferred for a formal division tomorrow at three o'clock p.m., following which Mr. Speaker will adjourn the House; during the time from the adoption of this motion until the adjournment, there will be no dilatory motions or quorum calls receivable by the Chair.

I am not suggesting that all of the motion is in order, but I would reserve any arguments on that point to another day. I suggest that we proceed as outlined, and I think that that would find agreement throughout the House.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): So ordered.

Motion agreed to.

Mr. Waddell: Mr. Speaker, on a point of order. You were about to recognize the hon. member from Winnipeg—Bird's Hill. I just wanted to point out to the House, as we are debating the Constitution, with the clock going past midnight, the hon. member who came to this House as a young man at the age of 27, just turned 40, and has just turned middle aged with the Constitution.

The Acting Speaker (Mr. Paproski): I congratulate the hon. member from Bird's Hill who is now transferred to Winnipeg—Transcona. A very happy birthday.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, thank you for giving me that time that I needed to rise to my feet. Thank you also, to the members of the House for their good wishes.

I was reminiscing with the hon. member for Yorkton—Melville earlier this evening. When I celebrated my 30th birthday, we were in the middle of a constitutional crisis in this House in 1981. I hope that when I celebrate my 50th birthday in this House that we will be beyond this.

I had a comment for the hon. member for Annapolis Valley—Hants. If I could get people's attention, particularly the member for Brampton who was part of this debate. When the member for Annapolis Valley—Hants made his suggestion as to how the Prime Minister could help the situation by considering whether or not he ought to resign, by considering whether or not he is part of the problem, the hon. member for Brampton said that the Prime Minister was not a quitter.

I respect that view that the hon. member for Brampton has of the Prime Minister, but I think there does come a time when quitting is not necessarily a disgraceful thing to do, particularly when there is a widespread view that is held in a widespread way that the Prime Minister is part of the problem.

We can leave it to the historians to debate whether this is in fact the case, but it is also the case that the Prime Minister should consider this. I think that the hon. member for Annapolis Valley—Hants has made a suggestion that should be taken seriously by the Prime Minister.

I am sorry there are not more members here, and I am sorry the Prime Minister is not here to hear what has been a very good debate about this. I think that we should do this more often, have a real debate, the kind of debate that we have threatened to have tonight.

Mr. Nowlan: Mr. Speaker, I certainly agree with more or less everything the hon. member from Bird's Hill said. I have a great respect for him.

He has been a member of the constitutional committee of this House of Commons for years. He was one of the members who was in opposition at the same time as I was. That is the point about the member from Brampton. The fundamental problem of the Tory Party today in government is it forgets from when they came.

You can have the Prime Minister. I agree there are certain things that I will take exception with the Prime Minister on. But the fundamental thing is that the public of Canada in 1984 and in 1988, but especially in 1984, went for the Tory Party for a change. We were good opposition people.

• (0010)

Long before the member from Brampton came out of the Chamber of Commerce down there in the southwestern horseshoe, and got into the House of Commons, there were some of us here carrying the torch. We were carrying the torch and we carried it pretty gosh-darned well.

Then we get into government and there are so many new members of government and a new Prime Minister, none of whom understand Parliament. They think that they can hoodwink the Canadian people by just abusing and contradicting in government what we used to say in opposition. You can shake it all down. There may be night sittings that we do not have so that we can get to know each other and some of us know each other too well. There may be a multitude of things, but the fundamental thing, I will be here long after the next election which the member from Brampton would be at the present time.

The fundamental thing is this, that unfortunately, the members of opposition who became government, and especially got inoculated with cabinet juices, and started to drive cabinet cars, and started to have cabinet perks and then told caucus what to do, they forgot that what we used to say here was so nasty. With television, good or bad, an educated public, they are not going to put up with that any more and that is one of the reasons for the malaise.

Coming back to the question from Birds Hill, I agree with the member obviously, but the member for Birds Hill and other members on both sides, and there are some members even on the government side today, and that is one of the reasons I broke with the government in a sense. The member from Brampton will never experience this. He never wanted to ever vote other than what he was told to so that he could get his—

Mr. Blaikie: Mr. Speaker, on a point of order, I wonder why we could not agree that the pages be permitted to go home.

The Acting Speaker (Mr. Paproski): Is there agreement? It is agreed that the pages be able to go home.

Some hon. members: Agreed.

The Acting Speaker (Mr. Paproski): So agreed and ordered.

Mr. John Manley (Ottawa South): Mr. Speaker, might I say that, while we send the pages home, I am grateful as a member of Parliament to have an opportunity to speak in the House on what is, I think, a very important issue for our country. I am grateful not just to the pages and to yourself and to colleagues for permitting the debate to go on, but also the other staff who are here to keep us functioning so that many of us who would like to talk about this have an opportunity to do so. Although we have had a little bit of debate, often we do talk for the record. We also, as part of our functions as members of Parliament, I believe, have an important responsibility to express for the benefit of those who elected us our views on important issues.

I think that as we talk about the resolution that is before us to create a constitutional committee to again look at proposals for a renewed Canada, that there are some things that, as one member of Parliament, I would like to talk about.

I am conscious that many Canadians, and I am sure that many of my constituents, if any of them are still up, are growing very weary of constitutional discussions. I am sure that many of them believe that only lawyers and maybe political junkies care about such arcane matters as notwithstanding clauses and divisions of powers and section 91 and 92 and maybe they think that politicians should be occupying themselves with economic problems and solving some of the other important issues that confront us.

In a sense they are right. Our economic problems in Canada today are serious and they require a very great deal of thought and insight and determination, perhaps even more than the constitutional problems that we face. I think that this is not a matter of losing sight of what is important. I think very often people are not interested particularly in insurance until they realize that their house in on fire. To my constituents I say: "I believe that perhaps our house is on fire and it is time we started to look for our insurance policies".

The failure of the Meech Lake Accord and the subsequent developments that have occurred in the province of Quebec have made this a very important and perhaps a watershed time for Canada.

None of us knows what will come of these significant developments, but what is clear is that significant change is going to come. It will be certain if Quebec decides that it will not continue in Canada, and it will be necessary if Quebec decides to stay.

My concern and my hope is that Canadians are going to realize before it is too late that Canada really has to be preserved. Canadians do not make it a habit of flaunting their patriotism as some other nationalities do. We have a rather small country with a pretty short history. It has been said that we have too much geography and not enough history. We are a nation not because of a war, a revolution, but as a result of a series of conferences that resulted in a vision of compromise.

I suppose it is even true to say that we tend to define ourselves more by what we are not than by what we are. We are surely the most reluctant nation on the face of the earth. Do we not appreciate the value in what we have? Have we become as a nation so weary of our pitiful problems that we cannot celebrate the greatness that is Canada? Can we not see what we have to offer to our children and to the world that is so valuable, a view of the world that says "bigger and stronger is not always better", a view that says we need to look after our poor and weak and sick while rewarding talent, skill and enterprise, a view that says it is no shame to see compromise where others see only conflict?

Do we not understand that it is not by chance that we have played a role in the world and in its institutions far in excess of what our size, our population and our wealth would dictate.

I know that our problems are not going to be solved by blaming anybody and there is lots of blame to go around, but I think where we started down the wrong road on this was when the Prime Minister of Canada said that the Constitution of his country was not worth the paper it was written on.

Can we imagine the President of the United States making such a statement? As a result of that, I feel a great deal of anger and frustration that we can stand here and contemplate the dismantling of Canada.

I think there are some fallacies that underlie the problem we are in. One of them is that opposition to the Meech Lake Accord represented a rejection of Quebec by English Canada. First of all, there is no such monolith as English Canada. In addition, many things that were criticized about the Meech Lake Accord had nothing to do with Quebec. They concerned aboriginals, the north, the rigidity of the amending formula and other things.

Another of the fallacies that I think we hear repeated on and on is that Canada is not working. I think we are at a period of change in our country and we should be prepared for reform, but to glibly say as some people do that Canada is not working is simply wrong. Maybe Yugoslavia is not working. Perhaps the Soviet Union is not working. Canada is working. Canada, despite whatever the flaws may be that people want to talk about, is one of the wealthiest, most prosperous, most successful nations on the face of the earth.

I believe that today's problems are in no small part a result of the fact that we have dwelt on some of these fallacies too much. We have become too negative on ourselves, too critical. It is time that maybe Canadians put on a face of patriotism and talked about some of the things that are good about Canada, some of the things that make this the nation of choice for so many people around the world who want to come here.

• (0020)

Throughout the protracted and distasteful death throes of the Meech Lake Accord, it became evident that the need to look to Canada's future could not be satisfied by a confrontational or incremental change without knowing where Canada was going to end up. The polarization over Meech Lake was surely based upon a disagreement over whether Meech was going to contribute to Canada's unity or whether it would lead to a weaker Canada and thus inevitably to further disunity.

I object to the crisis atmosphere we have ourselves in over this issue which tends to prevent rational and reasoned argument from being part of the process. I think it is clear that certain fundamental changes are going to have to be made. Some of these changes arise out of concerns of Quebecers. The Allaire report correctly points to some of these, but there are other concerns as well.

These changes are going to be difficult for us to address in the context of the uncertainty in which we now find ourselves. The continuing threat of separation from Quebec creates an atmosphere in which the result can only be bitterness and recrimination. In a protracted period of disintegration, if that in fact is what we embark upon, is going to result in nothing but economic hardship and political and constitutional chaos.

I believe that Quebec's linguistic and cultural goals are more likely to be achieved within Canada. I also believe that the Canada that would remain, if Quebec were to separate, would be significantly poorer in every way and much less influential in the world. In the arithmetic of separation ten minus one does not equal nine. Canada without Quebec would be smaller. Out of the G–7 group of the largest industrialized nations, Canadians would be known as a people who could not keep a country together that was one of the most fortunate on the face of the earth.

Anyone who thinks that the remainder of Canada would be easy to govern after Quebec left should think again. The ease with which Preston Manning and his like talk about the existence of a Canada without Quebec should be a warning to people about how false those assumptions are.

Seeking a solution to Quebec's concerns as a preliminary step to dealing with other constitutional issues was attempted in the Meech Lake round and failed. This was most definitively not a rejection of Quebec. Rather it was a failure of process and a clear statement that Canadians will not be bullied into accepting *ad hoc* changes to their Constitution when there is little prospect for other grievances to be addressed in a reasonable time and fashion.

Those as well on the other side, the new allies of Preston Manning and his group, the Bloc Quebecois that proposes an independent Quebec, have a heavy burden of responsibility to speak the truth to Quebecers. Independence will not come easily, and the fact that Jacques Parizeau goes around professing that he believes it will be so will not make it happen easily.

I think there are some issues that have emerged in the course of how far we have come in this debate that are clear. One is that there is an emerging consensus that there has to be a reduction in the over-all level of

government deficits and debt, and that this should be enabled by any constitutional reform.

There are other issues as well that are emerging. They emerged in the Allaire report and other places. Duplication and harmonization are clearly becoming issues on which we need to seek a constitutional understanding among us. It makes no sense whatsoever that in a variety of fields federal and provincial governments are occupying themselves with the same concerns, are hiring and employing bureaucrats to do the same things. Nor does it make any sense that we continue to operate our market in Canada as ten little countries with respect to many different goods and services.

The government was right in raising the issue of interprovincial trade barriers in the Speech from the Throne. I only hope that we can make very rapid and real progress in these matters. In terms of competing in the world, Canada already begins with the disadvantage of having a relatively small and very spread out domestic market.

Why on earth do we want to make it more difficult for ourselves by chopping that market up into ten little ones? It does not make any sense at all.

The Allaire report in Quebec, which put many people outside of Quebec on edge, makes very clear and valuable proposals on the economic union within Canada. We should seize on those and we should promote them and try to gain a consensus across Canada.

A popular conventional wisdom is developing on where we should go in this constitutional debate that concerns me and I want to talk a little bit about it. That is the idea that the solution is going to be the decentralization of power. The fact that Canada is a large and diverse country is not sufficient reason to divide powers so as to create ten little mini countries when it comes to government powers, at the same time as we are trying to break up the interprovincial barriers.

In fact, the world outside our borders is moving towards broader political understanding, broader consensus and co-operation and greater power sharing. Trade and investment is becoming more and more global. To fragment power in Canada, either through Quebec becoming independent or through massive decentralization, is to abandon our levers at a time when global pressures are growing. We are surely stronger united than we would be divided.

I believe that a vastly decentralized Canadian state would find it impossible to lean into the wind that would blow from Washington. In other words, you may be able to take power away from the federal government but that does not mean that it is going to end up with the provinces. Some of it is going to end up outside our borders.

In embarking on constitutional change I think there are a few principles upon which we can agree. The first is that all Canadians should share a common understanding of their fundamental rights and freedoms as expressed in the Canadian Charter of Rights and Freedoms.

Second, all Canadians should benefit from common social programs based upon national standards as a simple right of citizenship so that Canadians can be confident that opportunities are available to all, no matter where in the land they may be. For example, my provincial health care plan must have adequate coverage for me anywhere I travel within Canada.

Third, I believe that all Canadians should have a national government elected by the people, able to give voice to the needs of Canada as a whole and able to speak with authority for Canada on the world stage.

Canadians should be able to enjoy a commonality of purpose based upon national consensus, genuinely sought and formed at a national level. Elected political leaders need to ask what is in the best interest of Canada as a whole and have the power to act on that response. The sum must be bigger than the parts. The national government should be working to bring us all closer together.

I believe that the issues most crucial to our future as a nation on this planet in the coming century require national consensus, national will and international co-operation. These issues are global environmental imperatives, global economic restructuring, including Third World development, and world trade.

Can we really face these global issues as an even more decentralized state than we already are? How can our international representatives speak for us in world assemblies on such vital issues as climate change or ozone depletion or reforestation without having the authority to bind Canada? Would we really enter into another free

trade agreement, when we do not have free trade among our own provinces? I think these are the issues that need to be dealt with in a focused and clear fashion in this debate as it evolves.

• (0030)

My concern to this point has been that there did not seem to be any kind of organization or orchestration, perhaps choreography is the right word, about how this was going to unfold. The presentation of the resolution that we are debating now, forming a parliamentary committee to look at specific proposals and to consult with Canadians is a positive move. It gives some shape to what is happening, some hope that this is actually a process that has an end which will result in a product to which we can rally the support of Canadians.

Before I close, since it was the NDP who hoped that we would have real debate here, I would like to say in response to its suggestions today that I regret its position, that it cannot support the resolution because it does not contain a constituent assembly.

As I said to the member for Yorkton–Melville when he spoke earlier this evening, I understand where he is coming from on that issue. I hear some of the same voices, the same concerns of people that somehow the process has excluded them.

When I hear the proposals that the NDP make for a constituent assembly I am, first of all, concerned that it could not be completed in a timely fashion. Second, I am concerned about the notion that Canadians cannot be represented unless a member of their particular group speaks on their behalf. It concerns me to think that the implications of the suggestion of the NDP are that when I speak or vote in the House of Commons I do not do so on behalf of the women in my constituency, that I do not do so on behalf of the people of racial origins other than my own in my constituency. This does not make sense to me and I cannot understand why the NDP insists that elected representatives are inadequate to speak on behalf of the people who elected them, even though they may be different from themselves.

To take his case to an absurd conclusion I would say that, no matter what suggestion is made, children are under-represented. Are we to have children on the constituent assembly? Perhaps we should.

The other thing which concerns me is the implication that politicians are incapable of dealing with these important issues of the day. I accept much of the criticism that has been levelled against all of us, that we for some reason have lost the trust of Canadians. Frankly, I blame the government for a lot of that sentiment but that is not the point of addressing it tonight.

Canada is a country rich in democratic traditions. The cornerstone of those traditions is the fact that we elect our leaders from among our peers. Therefore, those elected to lead in Canada are of the best and the worst and the mediocre of our society. If we constantly harp on the worst then very soon the best will want no part of this process.

I plead with the people of Canada to give us all another chance. To give us the time to deal with these issues. We can find a solution. It will not be the solution that satisfies all 25 million Canadians. There will be dissent, there will be people who do not find their own solution in what comes out. However, for the sake of our country, for the sake of all that we have, let us not lose all those good things because we are unhappy with a few things.

Hon. John McDermid (Minister of State (Finance and Privatization)): I want to congratulate the hon. member. That was probably one of the most thoughtful speeches today. I think he put his finger on a number of concerns that we all feel in the House. I just wanted to add my congratulations.

He did get one shot in and I want to correct the record because it was one of the better speeches that I have heard in this House in a long time. He quoted the Prime Minister as saying that the Constitution was not worth the paper it was written on and asked what would happen if George Bush said that about the constitution in the United States.

There is a slight difference, and let us put it in context. The Prime Minister of Canada was referring to our Constitution in saying that if seven million Canadians are outside our Constitution, then it is not really worth the paper it is written on. That was the context in which was delivered. The difference is George Bush doesn't have one of his states of the union outside the constitution of the United States.

If the hon. member, in the mood of the speech that was given by him, which was excellent, would understand and in all fairness place when the Prime Minister said

that in proper context to be fair to the Prime Minister, I think he would agree.

Mr. Manley: Mr. Speaker, I thank the minister for his comments. I do not have the context in which the remark was made, and so I cannot dispute him. My recollection is that it had to do with the notwithstanding clause, because I recall at the time being confused by that since Meech Lake did not remove the notwithstanding clause.

In any event I want to say two things. First, I share the concern I am sure the minister has that the province of Quebec, through its provincial government, did not accept the 1982 constitutional amendments. I am not sure that that leads me to the conclusion that seven million people were left out of the Constitution, given that the Government of the Province of Quebec in 1982 was one that was devoted to separation.

I believe I am also correct in saying that if we look at other very successful federations in the world, we find other examples of countries that work quite well without having every state accept the federal constitution. I suggest that Bavaria has not accepted the constitution of Germany and yet it has worked extremely well for the country. I believe that one or two states in Australia have voted to secede from that federation a number of decades ago. Their efforts were not successful, but it did indicate a lack of acceptance by those state governments of the federation. Sometimes you just have to soldier on.

I do not think we have that option any longer. I think we had that option prior to 1986 but we do not have that option now. The task is for us all to come up with a constitution that not only is worth the paper that it is written on but is worth the love and respect of the people who are bound together by its terms.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, after moving the resolution concerning the adoption of the amendments and finally the main motion a few minutes ago, I have now lost my audience and that of the hon. member for Ottawa South, and that is unfortunate. Anyway, I am happy the minister is still here to ask questions and correct any mistakes I may make during my speech.

Therefore, the first thing I want to do is to congratulate the Minister responsible for Constitutional Affairs who has introduced this resolution this afternoon. I believe that it is a very important resolution for our country. He made an excellent speech. I think that, if we can agree on the amendments proposed by my party, we will have a good resolution that we will be able to support. We disagree with the government on only two things.

The first is the time limit. The government has proposed that the committee should have until February 28, 1992, to submit its report. We have suggested December 31 of this year. And I think that this date is more reasonable. It gives the committee enough time, and I think the situation in Canada to-day demands that the committee does its work without delay.

• (0040)

Secondly, we think that the government did not produced any proposals to change or amend the Constitution today or in the past. Our party has made some proposals, but the government has not done anything. It has indicated that its proposals will be tabled before the House or the committee in September of this year. It is the view of the official Opposition that it is too late. The governement had almost a year since the failure of the Meech Lake Accord and it is time to put an end to this and to make these proposals to this House and to the committee.

[*English*]

In any event, with those criticisms I should also add that I believe the government itself has brought about the current constitutional crisis, as we have said repeatedly in this House. I regret that, but our job now is not to lay blame, it is to proceed to try to solve the problem.

We on this side are pleased to help and I suggest that we have done so. I will come to terms with that in a moment.

Before turning to the proposals put forward by the Liberal Party, I would like to look for a moment at the position put forward by the New Democratic Party, which basically is to oppose this motion on the basis that a constituent assembly is a better way to proceed.

When I first heard the idea of a constituent assembly, I must say it had some appeal. It sounded reasonable. It sounded as though it could be considered as a means of

involving the members of the public who seem so enthusiastic in getting into this process.

When I considered it, it was many months ago. Having considered it for a while, I dismissed it as a reasonable means of solving the problem at this time. I did so for many reasons set forth by the hon. member for Papineau—Saint Michel this morning in his very able speech, particularly the delay in deciding who is to be in the constituent assembly and how it is to be selected. That will take months, and it will not work.

There will never be agreement as to how the constituent assembly is to be constituted. The hon. member for Yukon, in presenting the views of her party in her speech, was exceedingly vague on this point. There was no indication on how members were to be selected. There was no indication of who would be on it, except members from groups. She stressed that various groups would be asked to send representatives.

Who will agree on which groups? How will the groups choose the delegates to be members of the constituent assembly? Will it be by election? Who will be members of the groups for the purpose of the election? These issues were not dealt with. It is so complicated and so convoluted that it would take months to settle that issue before such an assembly could be brought together.

The hon. member for Ottawa South, in his speech, referred to this particular problem which the NDP is plagued with on this issue. I regret that it has not really concentrated its mind for more than a short time on it because I think if it had, it would have realized that what it is proposing is unworkable.

I want to turn to the argument that it advances in saying that everyone must be represented by one of his or her own kind. It reminds me of Noah's ark. All the animals went in two by two. There had to be two of every variety. If every variety were not there, it would be a failure of representation on the earth afterward because there were none there to reproduce.

It just does not work that way in modern political thought. I think I am safe in saying this is not modern thought, this idea of representation in democracy has been around for a very, very long time; in the British parliamentary tradition for well over 900 years. I do not think I need go back beyond that, but it is not new. This is something which is old in civilization. For generations, thousands of years, people chose to have representatives do their governing for them. That is exactly what we have had in Canada since our inception as a country under the British North America Act and under the various acts that preceded it. I suggest that it is a perfectly workable alternative for us today.

Members of Parliament can represent their ridings. They are capable of representing their ridings. Some of us may be better at it than others, and the people make judgments in respect of our abilities to represent our ridings. We do have that ability. Some may be better, some may be less, but the ability, the capability is there.

I am white. I am male. I happen to be Protestant. I happen to be a Liberal, not a Conservative or a New Democrat. I happen to have English as my native tongue. That does not mean that I am in any way inhibited from representing all the people of Kingston and the Islands who may be somewhat different. Some might not have English as their native tongue, some might be female, some might be Catholic or some other religious belief, some might not be white and some might not be Liberals. There is the odd Tory in Kingston and the Islands, and there is the odd New Democrat. I am still their representative in this House for the term for which I am elected. I do not say to any Conservative or New Democrat who comes to me for assistance: "Sorry, I cannot help you, you are not of my party". I do not know any member in this House who would ever say that to anyone else who came to him or her for help. There may be one, but if so, I do not know him or her.

We all work as representatives of all the people in our ridings when we work in this House. That is a vital and fundamental principle of Canadian parliamentary democracy. If we have the ability, or at least the capability of representing all the people in our riding, surely we do not need a constituent assembly which is to be made up of all these diverse groups in order to achieve representation.

Why would it be any more representative of the people than the elected House of Commons just because its make-up was made to reflect the various diversities of Canada? The people of Canada make a choice, and if we go to a constituent assembly the choice will be made by limited groups here and there which will be asked to

make selections and send people, it will not be done on popular election.

From a straight political point of view, I can understand why the New Democratic Party would prefer the constituent assembly.

Mr. Nowlan: Peter.

Mr. Milliken: I am surprised that the hon. member for Annapolis Valley—Hants is obviously supporting the New Democratic Party in this view. It sounds as though he is from his grunts and groans at the back.

Mr. Nowlan: A point of order, Mr. Speaker.

Mr. Milliken: This is phoney, there is no point of order.

The Acting Speaker: The hon. member for Kingston and the Islands has the floor.

Mr. Milliken: I appreciated the break.

The fact is that the members of the New Democratic Party are obviously of the view that there is some political advantage to be gained in going for a constituent assembly. They take the view that if there were elections now for a constituent assembly there would be more New Democrats elected than there are in this House. There would be more Liberals elected, too, in my opinion. I suspect, and I think the minister would agree with me, that if there were an election tomorrow we would probably have most of the seats in a constituent assembly and the Conservatives would have very, very few.

Mr. Nowlan: The Reform would have more—

Mr. Milliken: I am not out to try to argue this on partisan grounds, I do not think it needs to be. I do think that we need to look at the constituent assembly not from the point of view of partisan advantage, but from the point of view of whether it is the reasonable method to deal with the constitutional situation that we are faced with. I suggest that it is not. What we need to look at is taking advantage of the elected persons we have here, putting them on a committee and getting the job done. That is what the government has proposed. We support it, with the modifications that we have suggested in our amendments.

• (0050)

We on this side of the House say that we strive to represent all of our constituents at all times regardless of their differences. We seek to speak on behalf of all of them. We obviously fail from time to time. On one issue or another we will have differences. The fact is that we make the effort. I think it is a genuine effort on the part of all members on this side, and indeed on every side, of this House.

The surprise for me is that the New Democratic Party, which calls itself the Democratic Party in Canada and stresses how democratic it is, is abandoning this fundamental precept or concept of Canadian democracy in opting for a constituent assembly, instead of taking advantage of the membership of this House.

I note that one of the principal reasons why it ought to abandon this whole concept is because the province of Quebec, through its government, has indicated its unwillingness to participate in this assembly.

It is not surprising that the New Democratic Party ignores the Government of Quebec. At its recent convention in Halifax, out of 521 delegates only 30 were from the province of Quebec. One-quarter of Canada's population was represented by well less than 10 per cent of the delegates present at that convention. That is a standard pattern in that party. It has not been able to change that position. I suggest that if we looked at the breakdown of delegates, which I do not have, we would find that it was quite unrepresentative of large chunks of the rest of the country as well.

What has the Liberal Party done in order to further this debate? It has proposed, through its leader, a framework for reform of the Constitution. The usual practice for an opposition is to wait until the government makes proposals and then criticize the proposals.

In this case, the Leader of the Opposition, the hon. member for Beauséjour, has chosen to go public with a set of principles and proposals to amend the Constitution of Canada. I suggest that it is unusual, but it has been done in this case, and the Prime Minister of Canada has followed virtually every one of these proposals and adopted them as his own. He has agreed, on behalf of his government, that these proposals merit consideration and are sensible and that he is prepared to proceed on them, all but one. That one deals with the question of a referendum.

Let us see what the proposals are.

[*Translation*]

The first proposal was a statement on the essence of Canada. The leader of the opposition spoke of our attachment to the two official languages, of our varied cultural background, of the distinct nature of the Quebec society and of the role of the native peoples. These are some of issues raised in the statement on the essence of Canada.

[*English*]

Mr. McDermid: It sounds like Meech.

[*Translation*]

Mr. Milliken: That is right, it does sound like Meech, but the Meech Lake Accord did not contain everything.

The commitment to the Charter of Rights and Freedoms was also mentioned and, in particular, the primacy of the Charter, as well as the building up of the Canadian economic union. He said the barriers to interprovincial trade should come down.

He proposed a reform of our institutions mainly affecting the Senate, considering that this renewed elected, equal and effective Senate should be a key component of the constitutional reform.

[*English*]

An hon. member: Equal?

[*Translation*]

Mr. Milliken: No, he did not say that. He did not say equal,

He also proposed the division of powers, pointing out we would be well advised to consult the provinces on this issue of great importance to every level of government, provincial and federal. All that was proposed.

On the subject of immigration, he proposed that the existing administrative arrangement governing immigration be entrenched in the constitution.

As for the Supreme Court of Canada, he proposed that the provinces be given the right to designate judges, what was proposed in the Meech Lake Accord.

For the First Nations, he proposed that constitutional reform enshrine their right to self determination, and this is the position of the Liberal Party.

Likewise, he proposed that the amending formula—

I am very sorry that the hon. member is not interested in my remarks, but he will be able to read all this in the document prepared by the Opposition Leader's office.

[*English*]

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I would have thought the hon. member for Kingston and the Islands, a very responsible member of the House of Commons who is very involved in all these discussions, would have communicated all this to the committee when it gets into committee. However, to take the time of the House 12.55 a.m., with all the personnel working here, shows to me an absolute abusive interest in the affairs of the nation.

This speech is a speech not on the motion, but on the Liberal proposals, good ones and bad ones, that should be put before the committee.

The Acting Speaker (Mr. Paproski): The hon. member has four minutes left in his speech. Then we will have questions and comments.

Mr. Milliken: Mr. Speaker, I hope that the time taken by these interruptions by the hon. member for Annapolis Valley—Hants will be added to my time.

I sat here and listened patiently to an extremely boring speech from him. For him to continue interrupting my speech when I am trying to explain these policies, I find unnecessary in the circumstances and I ask him to restrain himself.

An hon. member: I have a question for when you are finished, thank God.

Mr. Milliken: The hon. member can ask questions to his heart's content when I am finished. I will be pleased to answer them, but I also want to say that the amending formula proposed by the Leader of the Opposition, according to the Victoria charter is again, as he suggested, most effective for Canada. It is a reasonable one. He has put it forward as our position.

That represents a framework in which constitutional reform can proceed in this country. It is a sensible, logical approach to the issue. It is one that has found favour with the government. I have no doubt that it will be considered by the committee as the hon. member has suggested, and I hope it will be.

I think that as members of this House we have an obligation to do our best to see that this works. I hope that the motion, when it is amended, will find favour with all parties in the House and that all parties will work to ensure that the committee is successful in its work.

I was born in this country and I had that privilege. It is one that I know many of my countrymen enjoy, but many came to Canada by choice. I have travelled very extensively in this country from St. John's to Victoria, to the northern tip of Baffin Island. I have canoed thousands of miles in Canadian rivers and I have visited most of Canada's major cities at one time or another.

My roots in Canada are very deep, and my family has come from various parts of the country. I have lived across this country for various periods of time and in various places, mostly in Ontario but briefly elsewhere. I have a very deep affection for this country and I, like other hon. members, do not want to see Canada divided.

Our aim in the opposition in this case as in many others is to strive to make the system work. We believe that Parliament can work. We believe the House of Commons of Canada does work. Sure, we have problems once in a while with different aspects of government policy where we see the place is breaking down. By and large, the House of Commons works. Its committees work. We believe that this committee studying the Constitution can do a job for Canada that will make every member of this House proud of its achievement if we just give it the chance and if all members work together to make the committee a viable option.

• (0100)

I support the amendment that has been proposed. I hope that the matter will be dealt with tomorrow at the vote on a virtually unanimous basis and I hope that we can all strive, whether we are on the committee or not, to make it the success that it should be.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I appreciate the hour is late, but quite frankly the hour may be late for the country and therefore the hour being late in this Chamber is immaterial. I therefore take back what I sort of inferred when the hon. member from Kingston and the Islands was concluding his speech.

The hon. member for Kingston and the Islands is one of the more constructive, sincere and capable members of this House, so I have two questions for him.

He is sort of the assistant House leader. I do not know what his official title is, but after the Spicer report, after the Beaudoin–Edwards report, goodness knows that the government is going to respond to those reports because we do not know, but would the hon. member be the leader in his party, which is Her Majesty's Loyal Opposition, to try and develop not just a consensus, but to explore with the government a coalition union situation on this matter of the country. That is my first question, a very, very specific question.

Mr. Milliken: Mr. Speaker, the hon. member's question is very hypothetical. I see no evidence that it will be necessary to form a coalition with the government on this issue. I am optimistic that there will be a unanimous report from the committee as I note there was from the committee that studied the Meech Lake Accord chaired by the present hon. Minister of the Environment.

Obviously, the parties in this House worked together with great success on that committee. Unfortunately, the committee report was not acted upon, and I will say no more in respect to that.

I think it is important that the hon. member realize that there is a difference between forming a coalition with the government on this issue and making a unanimous committee report, which I think is possible. I hope that it will happen and I think all hon. members should work to that aim.

Mr. Nowlan: Very good, Mr. Speaker, this is an educational night. I really appreciate that answer of the hon. member for Kingston and the Islands which leads me very naturally to my supplementary. I do not know if he was a lawyer, but I used to be.

Therefore, I understand the problems in trying to get a coalition union situation in this very partisan atmosphere here. The hon. member talks about a unanimous committee report and we all saw what happened to that. Therefore, there is the cry outside of this hallowed Chamber of having the constituent assembly referendum process.

I really want to ask the hon. member this question. I heard him talk and denigrate in effect the NDP situation of constituent assembly, and it is not just the NDP situation of constituent assembly, but there are many people without party affiliation who feel—it may be

wrong, it may be difficult, it may be complicated—they want to get involved.

Could the hon. member for Kingston and the Islands answer this specific question. When he talks about the constituent assembly, would he agree with me after he signs that memo that there is a heck of a difference between a constituent assembly of people with all the difficulties of collecting them, all the difficulties of organizing them, all the difficulties of having them focus on a report and then perhaps the elected members, most likely properly the elected members developing their recommendations.

I was amazed at the hon. member who knows quite a bit, not more than I, but quite a bit more on constitutional law, on constitutional assemblies.

Does he not agree with me that the fundamental difference at the moment between what we are doing with the parliamentary committee with all its potential and a constituent assembly feeding into the parliamentary process is that with a constituent assembly you do not have any party discipline? In terms of the House of Commons and a parliamentary committee, and I have been through it for 25 years, you have something called party discipline. Does he not think the fact that there is no party discipline in something so fundamental as a constituent assembly is something that should at least be considered and explored and then rejected rather than rejected for the ideological negatives put forward by the negative situation of the Liberal Party?

Mr. Milliken: First of all I want to say I do not think the Liberal Party's position on this is negative. With respect, it is the most positive of any of the parties in this House. We are the only party that has laid on the table a proposal for amending the Constitution and dealing with the situation we are in at this time. No other party has so far come up with such a comprehensive proposal at this stage.

I think that has taken considerable courage from the Leader of the Opposition. It has shown some judgment. That is the first point I want to make.

Second, I do not agree with him that a constituent assembly would necessarily be non-partisan. I think there would be all kinds of partisan divisions in a constituent assembly and if the hon. member does not agree with that he is dreaming in technicolour.

Constituent assemblies will divide on all kinds of bases. There will not be a party Whip, but at least with a party Whip you are able to whip together differing interests into one concrete group. With a constituent assembly you would have every division going in the country shown up and exposed and members would arguing with each other. It would be very divisive. There is no guarantee that everybody in it would suddenly say that this is exactly what they wanted, that they had hit on a consensus. There is no guarantee of that at all.

I want to point out that in the motion, if he would read it, it sets up this committee. I urge him to look at it very carefully. There are all kinds of provisions—

Mr. Nowlan: Subcommittees.

Mr. Milliken: I listened patiently to his questions. The least he could do is listen to my answer.

It says the committee will provide Canadians with an opportunity to participate fully in the development of the Government of Canada's plan for a renewed Canada. The committee will have subcommittees with power to travel and hold public hearings within Canada. The committee will have the power to hold joint sittings with the committees of legislatures or individual members of provincial and territorial legislatures. The committee will develop procedures to ensure aboriginal peoples participate fully in the development of the Government of Canada's plan for a renewed Canada and in particular on issues of special interest to them.

There are all kinds of powers in here which are unusual in a parliamentary committee. They are designed to make this committee react and interact with Canadians across this country. I think it is a reasonable proposition. It is the best we have seen yet from this government. We are delighted to see it has taken this step. We support those aspects of this motion. I think the hon. member, if he looks at it and thinks about it, will realize that in terms of what could be accomplished in a reasonable time with minimum of division and discord the parliamentary committee is a sound, solid approach. There is a risk that the Conservative Whip will lay it on a bit thick but I am prepared to take that chance. I think that the country is prepared to take the chance, and we in the Liberal Party have committed ourselves to working with the government to achieve unanimity on this issue.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate is ended. Thank you very much. I thank all hon. members for a great debate this evening.

Mr. Flis: Point of order, Mr. Speaker. At 10.55 we did pass a number of motions put forward by the government parliamentary secretary. Motion No. 9 reads: "That at any time during the adjournment of the House between June 1991, and September 15, 1991, the Speaker may cause the House to sit for the sole purpose of giving Royal assent, et cetera".

I think I heard the parliamentary secretary put a date in there, but when I asked for copies from the Clerk there was no date. I do not see how we could pass something like this without a date. I think I heard him say June 19, but in the copy that I have and it is initialled—

The Acting Speaker (Mr. Paproski): We will have a look at it tomorrow.

Pursuant to order made earlier this day the subamendment is deemed adopted on division. The amendment as amended is deemed adopted on division, and the question on the main motion as amended is deemed put and the division deferred to later this day at three o'clock p.m.

Accordingly this House stands adjourned until later this day, June 19, at two o'clock p.m., pursuant to Standing Order 24(1).

The House adjourned at 1.10 a.m.

HOUSE OF COMMONS

Wednesday, June 19, 1991

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O. 31

[*English*]

HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, it is becoming painfully evident that this government does not give a darn about housing and people. In the past three years we have had three ministers, countless studies, reviews, conferences and more bafflegab. The bottom line is that we have received nothing but cuts, cuts and more cuts to co-op housing, to social housing, to public housing and absolutely zero for home buyers and home builders.

The homeless are growing in numbers, the waiting lists for affordable housing have grown by the thousands. Thousands of workers are out of work and the government dawdles while people suffer more.

The Canadian Home Builders' Association, the Canadian Housing Renewal Association, the Federation of Canadian Municipalities and the Co-Op Housing Federation all call unanimously on this government for a national housing policy, for national leadership on housing and for the Conservatives to be part of the solution, not part of the problem.

Mr. Speaker, this government has the unmitigated gall to spend $375,000 for a dog house. The real question is this. Is this government's housing policies going to the dogs?

* * *

FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, in mid-March of this year, I orally warned the now Minister of Fisheries and Oceans that I anticipated unusually difficult ice conditions in Newfoundland.

On May 9, I wrote the minister again warning him that income for fisherpersons could well be deferred for about a month because of the severe ice accumulation, and I urged him to encourage his colleague, the Minister of Employment and Immigration, to implement contingencies for this.

Unemployment insurance ran out for fishermen on May 18. From then until now, the extension of UI has been granted on a piecemeal, gradual basis to groups of fishermen from area to area, from week to week. During that period of time, my office made 25 consultative calls with DFO and I wrote two other letters.

Last night, the Minister of Fisheries and Oceans announced that all fishermen would be eligible for compensation. In this monthly interval, despite our warnings and advocations, great anxiety has been caused to fishermen and their families, many of whom have had no other source of income since the middle of May.

While we are grateful that this compensation package has finally been approved for all, I would ask the government that should this ever be the case again, that decisions be made earlier, especially when there are warnings and this unnecessary pain, worry and anxiety to those engaged in the primary industry in Newfoundland, be avoided.

* * *

MUNICIPALITIES

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, community leaders from across Canada will be brought together to improve dialogue and communications among Canadians as a result of funding from the Secretary of State in support of the initiative of the Federation of Canadian Municipalities.

The Federation of Canadian Municipalities is a national organization of some 600 municipalities representing more than 70 per cent of the Canadian population. The federation has been a force for national unity for a long time, and this program will play a positive role in promoting better understanding and fostering dialogue among Canadians from different parts of the country. These programs and efforts are important contributions to Canadian life, because strong and progressive communities are essential to the over-all prosperity and happiness of the country.

The funding from the Secretary of State Department will help the FCM undertake a six-month pilot project for an exchange program in the latter half of 1991.

* * *

CFB SHILO

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, the threatened closure or downsizing of CFB Shilo by the Department of National Defence would be yet another blow to the economy of Manitoba, from a government seemingly determined to bring it to its knees.

After major reductions to Kapyong Barracks and the transfer of the Second Princess Patricia's Light Infantry from Winnipeg to Edmonton, and the devastating loss of the forces base in the town of Portage la Prairie, it now seems that the government is intent on spreading the misery to Brandon.

CFB Shilo has been invaluable to the department as a training base. It is also the provinces third largest employer outside of Winnipeg and its closing would affect nearly 1,700 military and civilian jobs in the area. Shilo contributes over $110 million annually to the local economy and the spin-off effects from its closure would be disastrous to Brandon and the surrounding area.

We have learned that the troops on the base would in all likelihood be transferred to CFB Suffield, yet another move by this government to build up Alberta at the expense of Manitoba.

I call on the federal government and the new Minister of National Defence to refrain from inflicting further damage on Manitoba's economy.

* * *

[*Translation*]

FRENCH CANADIANS

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, since today is the last day before the summer recess, I would like to take this opportunity to wish all Quebecers a happy Saint-Jean-Baptiste Day.

Mr. Speaker, I think it would be appropriate to recall what was said 35 years ago by historian Arnold Toynbee, internationally known as one of the greatest historians of this century, when he was a guest speaker at McGill University in Montreal. On this particular occasion, he said that when the Archangel Gabriel sounded the trumpet on the last day, there were two peoples that would definitely be around to hear him: the Chinese and the French Canadians.

I thought he made his point very eloquently and in fact, there is a lot of truth in this when we look at how Quebec, first known as New France, developed since the sixteenth century. French Canadians are indeed here to stay.

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[*English*]

PORK INDUSTRY

Mr. John Reimer (Kitchener): Mr. Speaker, June 24, 1991 marked an important date for Canadian trade. In a unanimous decision, the final bilateral dispute panel of the Canada-United States Free Trade Agreement ruled in favour of Canada's pork producers and exporters. The decision will mean millions of dollars in recouped countervail duties for our pork exporters.

This decision reaffirms the success of the free trade agreement and once again proves the anti-free trade Liberals and NDP are dead wrong. The Americans tried their utmost to maintain the status quo but they failed.

United States trade representative Carla Hills stated: "We used the rules that were in place. We got a decision and now we will have to live with it".

Contrary to the naysayers, this demonstrates that the Canada-U.S. Free Trade Agreement is sound and that the dispute settlement mechanism has been tested and proven sound.

REGIONAL DEVELOPMENT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, eastern Ontario and southern Ontario are the only areas in Canada that do not have a regional development program under this government.

Since January 1, 1989, when the so-called free trade agreement became law, 148,000 manufacturing jobs have been lost in Ontario alone. High interest rates, an artificially high Canadian dollar, rationalization and centralization of corporate business, have pulled industries out of small town Ontario and cities alike. Jobs have moved to Mexico, the U.S. and elsewhere. High taxes caused by 33 tax increases under this Tory government, high fuel costs and other transportation expenditures have driven jobs from Canada.

U.S. farmers are benefiting under free trade but Canadian farmers are not. Post offices, VIA Rail and potential tourist infrastructure have been taken away from the regions of Canada. Canadians want a lower Canadian dollar. They want tax relief, but most of all Canadians want a new government that knows what this Canadian nation is all about.

* * *

OCCUPATIONAL HEALTH AND SAFETY WEEK

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, I would like to bring to the attention of all members that this is Canadian Occupational Health and Safety Week. This is a week dedicated to highlighting the important role of health and safety programs that they have in the workplace in reducing the number of illnesses and the accidents that cost society so much each year.

At the federal level the Department of National Health and Welfare is responsible for the health and safety of all federal government employees. Health and Welfare Canada through its public service health programs provide a wide range of services to protect and to promote the mental, physical and social well-being of federal employees. Two of their current priorities are, increasing the capacity to respond to post-trauma stress and also a continuing emphasis on investigating complaints about the poor quality of air in the workplace.

• (1410)

The health and safety of our federal employees is important and I am confident their interests are being well served by this department.

* * *

[*Translation*]

INTERNATIONAL FESTIVAL OF LANAUDIÈRE

Mr. Gaby Larrivée (Joliette): Mr. Speaker, the International Festival of Lanaudière will start its fourteenth season of activities this week. A marvellous program of classical music will be presented from June 20 to July 28. The audience will hear world famous performers, including new French singer Françoise Pollet. Mozart will be in the spotlight on this 200th anniversary of his death, with a number of concerts by performers like Christopher Hogwood and the Handel and Haydn Society.

The festival's amphitheatre, in a breathtaring setting unique in this country, has room for 2,000 people under its roof and 8,000 more on the lawn, whose natural slope offers an excellent view of the stage. The visual impact, however, is nothing compared to the acoustics where no effort has been spared to render the subtle harmonies of our virtuoso performers as faithfully as possible.

This year, the festival will include the biggest hologram in the world, one of the few to be exhibited outside. It was made by artist Georges Diens who was inspired by the Champs Élysées in Paris.

Mr. Speaker: I am sorry to interrupt the hon. member but his time is expired.

* * *

[*English*]

TRADE

Mr. Sid Parker (Kootenay East): Mr. Speaker, today we met with a group of individuals representing coal mining communities in western Canada. What they told us was both sad and shocking. It seems that for a number of reasons their industry is losing ground to competitors in the United States.

Western Canadian producers are subject to high transportation costs, including the GST, which American producers are not. If this government is serious about increasing interprovincial trade, it should look at a tax rebate for the transportation of goods from one province to another.

Also I would like to remind all members of the House that coal produced in western Canada is on balance cleaner and less damaging to the environment than the American product. It is time that this government showed support for western Canada coal producers, mine workers and the communities that depend on them.

I call upon the federal government to take immediate steps to remove the barriers from interprovincial trade.

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[*Translation*]

WORLD FOLKLORE FESTIVAL OF DRUMMONDVILLE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the 10th World Folklore Festival of Drummondville will be held from July 5 to July 14, and I invite all members and all Canadians to come and take part in the most important traditional event in Quebec.

For ten days, under the festival theme *"Dix ans au rythme du monde"*, more than 30 folk dance groups from 21 countries will share with us their customs and traditions through music, dance and song, as well as a host of interesting activities. More than 800 performers from Canada, the United States, France, and countries as far away as the U.S.S.R., Poland and Argentina, will demonstrate their age-old, enchanting traditions through the medium of the dance.

About 1,300 volunteers have been working very hard for many months to make this popular festival a world class event. Last year, Mr. Speaker, the festival, which was named tourism event of the year, welcomed 750,000 visitors.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

[*English*]

AUTO SAFETY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, it is ironic that U.S. authorities are attempting to restrict Canadian manufactured motor vehicles when the Canadian Department of Transport is proposing to relax the Motor Vehicle Safety Act to give preferred treatment to U.S. manufactured vehicles in Canada.

I find it puzzling and unacceptable that U.S. manufacturers will be allowed to supply a product in Canada that Canadian manufacturers are prevented by law to supply.

In my view, this move will dilute and confuse the Motor Vehicle Safety Act in Canada. It will increase the cost of new cars to consumers and it will transfer jobs to the United States.

It is unacceptable to have two sets of safety standards. It is imperative that the U.S. industry be required to meet the same standards as Canadian industry in Canada. The Department of Transport must review these amendments and assure the Canadian industry a level playing field in our own country.

* * *

IRAQ

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, the war in the gulf may be over but the casualties continue to mount.

The UN Undersecretary-General referred to the near apocalyptic conditions following coalition bombing of Iraq. UNICEF has reported Iraqi children have stopped growing because they are not getting enough to eat. Waterborne diseases are widespread.

Surely Canada must urge the immediate lifting of non-military economic sanctions against Iraq. As the UN Secretary-General reported in March, the Iraqi people may soon face a further imminent catastrophe which could include epidemic and famine if life supporting needs are not rapidly met.

The Canadian Physicians for the Prevention of Nuclear War have asked: How is it possible that the

international community allowed its governments to place an entire civilian population in such jeopardy? Canada must accept our share of the responsibility for rebuilding after the carnage of this tragically wrong war.

* * *

CFB CHILLIWACK

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, Chilliwack is a very friendly and close community. So when part of the community comes under stress and strain, the community comes together in support of its neighbours.

There is stress and strain in Chilliwack right now because there are some vicious rumours that part of our community might come under attack. The Canadian Forces Base is an integral part of the community in Chilliwack, and many people are concerned that it might be closed.

This is causing a great many people in Chilliwack and throughout British Columbia serious concern. As I speak, the First Combat Engineer Regiment is in Kuwait clearing mines. The families are already stressed by the absence of their loved ones. It is encouraging to know that when times get rough and stress gets high, people pull together. Such is the case in Chilliwack where military families are supporting each other and where the community is rallying in support of the base.

I have confidence that the cabinet, when it deals with this, will let common sense prevail and that Chilliwack will remain a stronger, more cohesive community that is 100 per cent intact.

* * *

PARLIAMENTARY TOUR GUIDES

Mr. Speaker: I know that hon. members would want to join me in welcoming our new parliamentary tour guides who will be introducing Parliament to visitors from Canada and around the world. They have been at work since May and will welcome over 300,000 people before the summer is over.

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PARLIAMENTARY PAGES

Mr. Speaker: I am sure that all hon. members will want to join me in thanking the parliamentary pages whose terms will end shortly.

[*Translation*]

I am sure all members will agree that the young men and women who were selected to serve as pages have shown they are worthy representatives of Canadian youth, of whom we are justly proud.

[*English*]

You leave this Chamber with our very best wishes for your future. We hope to see some of you back in this Chamber, in a different role perhaps, in a few years.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*English*]

VIOLENCE AGAINST WOMEN

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

Every 17 minutes, there is a sexual assault committed in Canada. Ninety per cent of the victims are women. Women across this country, including women on all sides of this House, are afraid to walk in their own neighbourhoods at night.

In light of these tragic facts and in recognition of the Montreal massacre, will the Prime Minister today announce a royal commission to examine the tragedy of this war against women?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. member raises a very important issue.

I do not know where she has been because a commitment was made in the Speech from the Throne that a blue ribbon panel about violence against women was going to be established by this government. The appointments to that panel are being made as we speak in the House today.

The government's commitment to look at this issue very seriously and to identify it as a unique and particular issue of Canadian society, in other words, violence against women being a particular social phenomenon, is clear. We have every intention of following through not just with the study of violence against women, but with the appropriate actions to deal with its causes and its effects.

[*Translation*]

Ms. Sheila Copps (Hamilton East): My supplementary is also directed to the Prime Minister. The tragedy at the Polytechnique in Montreal was followed by a tripartite initiative on violence against women. Unfortunately, the Prime Minister's Quebec lieutenant has killed this initiative. Why does he today refuse to endorse the creation of a royal commission of inquiry on violence against women? I would appreciate an answer from the Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the hon. member has just erroneously and, I assume, inadvertently informed the House that someone I know killed an initiative for a project that would have the effect of reducing and eliminating violence against women. The Minister of Justice just said the exact opposite.

In the Speech from the Throne, the Canadian government announced its intention to initiate a thorough inquiry into violence against women. At this very moment, people are being selected to conduct this inquiry which will be a very important one for Canada, and as far as I know, members of this House are practically unanimous in supporting this very important initiative by the Canadian government.

• (1420)

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we had a chance in this House to do something unanimously. We had a chance for all political parties to come together to support the initiative of the subcommittee that was struck on the issue of violence against women. Instead, the effort of an all-party committee was torpedoed by the parliamentary assistant to the minister of health.

Will the Prime Minister overrule the torpedo action carried out by his colleagues and will he today—

Mr. Speaker: The question goes right to the heart of something that is taking place in the committee at this time. I listened very carefully. I know the hon. member will notice that I did not interrupt until I certain I heard it carefully. I think it is out of order. Perhaps the hon. member could put her question another way.

Ms. Copps: The very basic question is this. Will the Prime Minister endorse a unanimous recommendation in this House and move today to strike a royal commission to examine the war on women that we as women are facing all across this country? Will he do that today for the women of Canada, please?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks me whether I will endorse a unanimous recommendation for an inquiry into violence against women. The answer is not only will I endorse it, I announced it in the throne speech on behalf of the government, not today, but some six weeks ago.

The Government of Canada is in the process of putting together the terms of reference and the nominees of a commission of inquiry that will be a very important instrument to protect women against the vicious crime of assaults against women. This was announced in the throne speech. We are in the process of following through. There is nothing partisan about it. I endorse it just as enthusiastically as the deputy leader of the Liberal Party.

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CORRECTIONAL SERVICE CANADA

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is directed to the Solicitor General and concerns violent offenders. There is the Takahashi case on the west coast where an inmate was sentenced for three life terms for sexual assaults yet was out playing golf with a murderer, a fraud expert and an unarmed guard.

On the east coast, the Thompson case, an inmate committed a murder while on parole. There is concern in my community that he will receive a temporary absence to Moncton or be moved to a minimum security facility.

Is the minister satisfied with the way in which violent and sex offenders are receiving escorted temporary absences?

Hon. Doug Lewis (Solicitor General of Canada): I appreciate my hon. friend's question and I realize that he is concerned, as are we, about public security in these matters. The security of the public is first and foremost in the operations of Canada's correction service and we will continue that.

I should tell my hon. friend we are reviewing the matter of corrections and conditional release and we would expect to be coming forward in the fall with a new program which would address the concerns that my hon. friend has raised.

Mr. George S. Rideout (Moncton): My supplemental is for the same minister. Mr. Minister, obviously from what you said, you realize that Canadians have lost complete confidence in the parole system in this nation. As I mentioned, the earlier cases and also the Légère and Gingras cases, all focus attention on the problem. Obviously victims and communities worry. Victims need to have some input into the system before releases are granted and at the very least they should know when somebody is being released.

Would the Solicitor General be prepared to order a full comprehensive parliamentary review of the parole system, especially with regard to violent and sexual offenders?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I have two points in response to my hon. friend. First, I would like to think that in the fall when we bring forward the reforms I mentioned, that in the discussion and the review of those amendments, we could have that kind of examination.

At the same time, while I appreciate that when dealt with in the specifics, some of these cases do not look as appropriate as my hon. friend and I might think.

I want to say that the temporary absence program is successful. In the fiscal year 1988–89, the success rate in terms of trying to protect the public and rehabilitate people was 99.93 per cent. So there is a fair degree of success to this, while I admit that there are some problems.

* * *

VIOLENCE AGAINST WOMEN

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister. Just over a year and a half ago, all members of this House shared the tears of the parents of the victims of the Montreal massacre. Before and since then, many of us in this House have talked about violence against women.

The report of the subcommittee on the status of women, entitled *War on Women* has made some extremely useful recommendations, has heard a number of witnesses, men and women from across this country who came to speak to this committee and share the pain of violence. They asked this committee to do something, to take direct action. It is not only the victims, it is the abusers and it is the children who suffer from violence.

Does the Prime Minister accept the recommendations of the report by the subcommittee to really do something about violence against women or does he support the views of those on his side of the House who rejected this report and refused to endorse it?

Right Hon. Brian Mulroney (Prime Minister): My hon. friend, I think, does perhaps an injustice to some colleagues in the House of Commons. There has been no rejection of any of the provisions of the report.

Ms. Black: Many refused to endorse it.

Mr. Mulroney: There has been no rejection. As I understand from the distinguished member from Calgary, there was a desire for an opportunity for members of the House to be seized of this and to debate it. There was no rejection.

Ms. Black: They had it over a week.

Mr. Mulroney: My hon. friend is asking me an important question and I am trying to give an answer. I was not a member of the committee or of the subcommittee. All I know is that the member for Don Valley North, the chairperson of the committee, Barbara Greene, has done an outstanding job.

Some hon. members: Hear, hear.

Mr. Mulroney: To the best of my knowledge, no one has voted against a single provision of the report. The object of the exercise is to bring the subcommittee report forward to the committee and eventually to have the House of Commons enact legislation pursuant to the recommendations of that report. That, I believe, is exactly what will happen.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the women of Canada have waited a long time to see some serious work on the issue of violence against women. All of us in this House, I am sure, want to see that happen, but we want action now. When we want to put grain handlers back to work, we do it in a day. When want to ensure that arms sales can take place, this government does it in a day.

Will the Prime Minister endorse the recommendations of this subcommittee's report? Will he make sure that these come forward quickly for action now, for the women of Canada, for the children of Canada and end violence in this society, not just talk about it.

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am advised that the committee has voted to table the report, which makes it a proper subject of public discussion and that it contains recommendations that touch a number of departments in government. But I think it is important to point out that the government continues now to be actively involved in seeking ways to deal with this problem concretely through legislative and policy initiatives.

• (1430)

As the hon. member will know, I just recently hosted in Vancouver an historic three-day meeting on Women, Law and the Administration of Justice which was historic because it involved high level presentation from the judiciary, representation from every Department of the Attorney General in this country, high level experts in the area of violence against women and other areas related to women and the law. This was a working group that was designed to conform with recommendations that we can act on.

We will look forward, with great interest, to the recommendations coming forward from the parliamentary committee, but we are working now on dealing with the issue of violence against women.

Hon. Audrey McLaughlin (Yukon): A supplementary, Mr. Speaker, for the Prime Minister.

Clearly, the women of Canada do not feel that. I think this is the issue. The issue is whether this government is prepared to seriously address the whole issue of violence against women.

[*Translation*]

This afternoon, Mr. Speaker, the provincial, territorial and federal ministers responsible for the Status of Women are meeting in St. John's, Newfoundland.

Which recommendations will the Minister responsible for the Status of Women announce at this meeting, those contained in the report or those rejected by her cabinet colleagues who refuse to acknowledge the tragedy of violence against women?

[*English*]

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, because the committee, as I understand, voted to table its report, the meeting of Ministers responsible for the Status of Women will be free to discuss it. It will be in the public domain. More important, they will have available to them the recommendations that came out of the Vancouver meeting, an historic meeting, the first of its kind and will provide a very important subject matter for the meeting of the Ministers responsible for the Status of Women in working to counter violence against women.

* * *

THE ECONOMY

Mr. John Manley (Ottawa South): Mr. Speaker, yesterday in Montreal, Algo Group Inc., Canada's leading apparel manufacturer became the latest Canadian firm to announce its likely departure to the United States.

I would like to ask the Minister of Finance whether this is what he had in mind when he said to the OECD in Paris a couple of weeks ago: "Those who lose jobs during periods of economic slow-down such as we are now experiencing may well find their new positions in different industries, occupations or regions".

Why does the minister not have the courage to admit these effects of his policies at home? What industries, occupations and regions is he referring to and what policies is the government bringing in to help workers through these periods of adjustment?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think if my hon. friend would be honest with the people who are listening to this Question Period, he would read the accurate parts of the decisions that this company is making. It says in the article that the company is moving an office to Britain so that they can sell women's clothes that are made in Canada into Britain.

They also point out that if they were to move to Mexico it would not be to take away jobs from Canada, but would be moving jobs from the countries in southeast Asia into Mexico where it would bring those low cost

inputs closer to Canada to help maintain the profitability of the manufacturing of that company within Canada.

The suggestions that they might be moving to the United States are speculation. The actual results and decisions that this company has taken are related to decisions that will help the manufacturing facilities here in Canada.

Mr. John Manley (Ottawa South): Mr. Speaker, I am sure that the shareholders of Algo will be delighted with the minister's confidence in their company.

I ask the Minister of Finance to please explain to the people of Canada the meaning of his remarks made to the OECD. I will quote them again in case he did not hear them the last time: "Those who lose jobs during periods of economic slow-down such as we are now experiencing may well find their new positions in different industries, occupations or regions."

Will the Minister of Finance, whose words I have quoted, please tell Canadians what industries, occupations and regions he is referring to and what programs the Government of Canada proposes to give assistance to workers who have to make these adjustments brought on by his own policies?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, the hon. member talks about the confidence of the shareholders of Algo Industry. He should let the Canadian people know that this is a company that has had a continuous series of profitable years since it was founded in 1942. It has made profits throughout recessions. It has made profits when times are good.

If he wants to talk about some articles that are in the paper today, why does he not talk about Terrence Corcoran when he talks about the recession is over, dead, deceased, expired, it is finished.

* * *

CFB GOOSE BAY

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the minister of defence or whoever is answering for him today.

Goose Bay has been an important northern base since 1942. It still serves our NATO allies and it is the main economic mainstay of the 8,000 people who live there. My question is how can the government contemplate closing Goose Bay when it has absolutely no defence policy for this country? Will the government give an undertaking today that before any change is made in the status of Goose Bay or any other base in this country a defence policy for the future will be brought forward that can be discussed with the people. Can we have that undertaking today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the absence of the Minister of National Defence, I am happy to inform my friend that the minister, pursuant to many meetings with the senior defence personnel, will be bringing forward very soon to cabinet for consideration some changes in our defence posture. The United States and all of our allies are changing some important elements of their defence posture as a result of changes in the Soviet Union and eastern Europe. All NATO members are doing precisely that.

The German government has announced a reduction of some 180,000 troops in Germany alone. Canada will of course be examining options that will best serve our national interests while maintaining the integrity of a very highly skilled and professional military.

* * *

CFB SHILO

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, my question is for the Minister of National Defence or the Prime Minister. Canadian Forces Base Shilo is a first-class military base and the third largest employer in Manitoba with nearly 1,600 permanent military and civilian personnel, as well as hundreds of part-time and contract jobs.

How then could this government intend to close this first-class military base and still make sense in the absence of a comprehensive national defence policy? Will the minister make an undertaking today that he will first consult with Manitobans before considering any change in the status of CFB Shilo in Manitoba?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the member for Portage-Interlake and the member for Brandon-Souris have both made repeated interventions on behalf of Manitoba in regard to this very excellent military installation. The government is in the process of reviewing all of its expenditures in this area from recommendations from the military. We are analysing and will be analysing recommendations that come from the professional military in regard to their needs across Canada.

I can assure my hon. friend that the government is fully acquainted with the excellence of the reputation of the base because of the very strong interventions by the member for Brandon—Souris and his colleagues from Manitoba.

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SOCIAL PROGRAMS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Minister of Finance. Statistics Canada today published a study which destroys the government's favourite argument that it is social program spending that is the cause of the country's deficit. The study shows that social spending has not increased relative to Gross Domestic Product for the last 16 years.

Will the Minister of Finance take this study seriously, this study which shows that it is corporate tax breaks and the high interest rate policies of successive Liberal and Conservative governments that are the main causes of the deficit? Will the minister take steps to end the generosity of his government to the corporate elite and to wealthy individuals in Canada and show that he is serious about the deficit?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. member will agree with me when I say that one of our biggest challenges in terms of cost pressures is the cost of servicing the national debt, the national debt we inherited from the Liberals when we took office in 1984.

Yes, this government has been generous toward social programs in this country and it continues to be. For the record, the last five years, in terms of major transfers to the provinces, which is largely for the purpose of sustaining health and education and other benefits that go to help the average Canadian, have increased from the last five-year period of $150 billion to $183 billion during this fiscal period.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, with respect, that is not what the study shows. The study shows that social spending has remained the same over the last 16 years. I grant the Minister of Finance that the deficit is in large part due to corporate tax breaks created by the Liberal Party of Canada. But that does not exempt this government from the fact that they have refused to close many of the main loopholes that still exist from that time.

Will the Minister of Finance give a commitment in this House today, given that the Minister of National Health and Welfare is meeting with his counterparts today and tomorrow, that social spending in this country will not be asked to contribute one more cent to the elimination of the deficit, a deficit that social spending did not create. When will the corporate elite be asked to pay down the deficit?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I just indicated to the hon. member that for the five-year fiscal period ending 1991-92, the amount of federal transfers to the provinces amounted to $150 billion. For this five-year fiscal period, 1991-92 to 1995-96, it is projected that we will transfer $183 billion in transfers to the provinces, which is largely used for health, welfare and education. That is not a reduction of revenues, that is an increase in revenues. On a per capita basis, the transfers per person have risen from $950 to $1,250 in the last five years. That is not a reduction, that is an increase.

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CANADIAN ABORIGINAL ECONOMIC DEVELOPMENT STRATEGY

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my question is for the Minister of Industry, Science and Technology. The business arm of the Tree of Peace of the Friendship Centre of Yellowknife submitted a proposal to the Canadian Aboriginal Economic Development Strategy for a project which would spell and realize, in the long term, a viable and largely independent economic base in the aboriginal community of the Northwest Territories.

Many would benefit from this particular facility. Why, then, does the government defy its fiduciary responsibility to the aboriginal people by rejecting outwardly this very comprehensive and economically viable proposal?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member's question is very interesting. The Canadian Aboriginal Economic Development program has been responsible in the last five years for creating over 4,000 small businesses on and off reserves in Canada.

This particular application is being considered further by the board. I will do my very best to take another look at it.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, the executive of the aboriginal community in Yellowknife are requesting that perhaps it would be an option for them to have the proposal revisited immediately, not to wait, and that perhaps the accessibility of a business loan would be considered by the minister.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the hon. member should be reminded that in the last two years alone we have funded over 40 small business projects through the CAEB program in her part of the Northwest Territories, and I think over a dozen in Yellowknife alone. They are very good projects, I am sure she supports them. I would be glad to take a look at this one as well.

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THE ENVIRONMENT

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, major environmental disasters are waiting to happen in Canadian waters. As the Minister of Transport well knows, the report of the public review panel on tanker safety recommended last October 24 that specific measures be implemented to prevent catastrophic marine spills.

Why has the government taken no serious action to implement the panel's recommendations? And what suitable immediate measures will it take to prevent these looming disasters?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, this government formed the Brander–Smith committee which examined this whole question. The Brander–Smith report that was tabled with the Ministry of Transport some months ago is a very, very comprehensive and very serious work. We have been examining the different components of it and are on the verge of making some recommendations and decisions as to what needs to be done to take into consideration the contents of the Brander–Smith report.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, obviously the government believes that band-aids can stem serious haemorrhaging.

[*Translation*]

Mr. Speaker, my supplementary is directed to the same minister and concerns the interim report of the royal commission on passenger transportation.

Since the commission has urged the government to review its policy on abandoning railway lines and alienation of rights of way, to prevent the irrevocable loss of these rights of way, what does the Minister intend to do to ensure that passenger transportation has a future in rural Canada?

Hon. Jean Corbeil (Minister of Transport): That was another excellent initiative by the government and the Prime Minister of Canada. The House will recall that the royal commission of inquiry was established by the Prime Minister himself. The commission's members are extremely competent people who are dedicated to their work. They submitted an interim report some time ago, which contains recommendations on the issues raised by the hon. member opposite.

We are giving these recommendations careful consideration. We are analysing the financial impact and will report on this question very shortly.

* * *

[*English*]

THE ECONOMY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Finance.

Terrence Corcoran, writing in *The Globe and Mail* says that the recession is dead, it was dead on the 23rd of April, possibly the 7th of May. I think it was dead in March. I was wondering in view of the economic performance and indicators and the very much lower interest rates, whether the Minister of Finance had new projections with respect to growth this year, and what his projections were all around concerning whether the recession, in fact, in his view was dead.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, it is rather encourag-

ing to note that good news flows from this side of the House rather than from that side of the House.

I did see the article to which the hon. member refers, and I think it is the second in a series. I think he was pleading with the opposition to start using the other "r" word as they insisted that my predecessor should use the "r" word when the slow-down was occurring.

The article to which the hon. member refers says "the recession is dead, long live the recovery". I think that recovery is very near. All the indicators are there. We assume that growth will emerge again in the second half and 1992 will be a banner year of about 3.5 per cent growth.

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PETRO-CANADA

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of State for Privatization.

Yesterday it was announced that Petro-Canada shares will be sold for $13.

Some hon. members: Hear, hear.

• (1450)

Mr. Harvey (Edmonton East): They applaud, Mr. Speaker. What they are applauding is the fact that the shares will be sold for about half the company's estimated net asset value per share.

What the Liberals paid too much to buy, the Conservatives will charge too little to sell. Canadian taxpayers will be left reeling from the fiscal one-two punch.

What is the government's best estimate of how much money will be returned to the Canadian treasury once Petro-Canada is completely sold off? Even a ballpark figure would do.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, I am not going to give a ballpark figure on that at all.

Of course, markets will decide the price as we move through the privatization program. It will take some time. As the hon. member knows, it is a fairly large company, so to provide a ballpark figure now would be very foolish on my part.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I believe the hon. minister is correct that it would be very foolish on his part because it would appall the Canadian people.

Given the very real fears of many observers that Canadian taxpayers will lose more than $4.8 billion of the $6.8 billion in 1990 dollars they paid to build Petro-Canada, what credible guarantees that the Canadian people will not wind up receiving as little as 30 cents on the dollar for their energy company can "Discount John" give us?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, that was a real zinger.

I noticed the hon. member's press release that came out today. In the first half of it, he said that the government was giving the shares away. In the second half of it, he said that the ordinary Canadians cannot afford it.

That press release is about as suspect as the figures that he is throwing around in the House today.

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[*Translation*]

TEXTILE AND GARMENT INDUSTRIES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology and Minister for International Trade, and concerns the textile and garment industries.

The fourth edition of the Multi-Fibre Arrangement now in effect will expire on July 31, 1991. Whether or not to maintain this particular status is one of the items on the agenda of the GATT Uruguay Round. Could the minister tell the House what kind of action the government intends to take to protect the interests of the textile and garment industries and the jobs of Canadian workers?

[*English*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I know the hon. member has shown a great deal of interest in the welfare of the textile and clothing industry.

It is a very important industry for his part of the country and also other selected parts of the country. In the multilateral trade negotiations, we have been very careful with proposals that we have been prepared to put out in order to ensure that the ongoing nature of the industry can be protected.

We also have been working with the industry in ways to help them put in the equipment and improve their technology to allow them to be competitive on a world scale basis. I am sure my colleague noted my response earlier in Question Period that some companies have been quite successful in being able to maintain and build their markets on an international basis.

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AIR INDIA FLIGHT 182

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, my question is for the Solicitor General regarding the Air India tragedy and the surveillance role of CSIS.

During recent committee questioning, the chairman of the Security Intelligence Review Committee replied that the RCMP continues to insist that a SIRC review would impede the criminal investigation which is still proceeding.

It has been six sad years since flight 182 went down. Why can SIRC not conduct its internal review now? Will he tell the RCMP to back off and let SIRC do its job?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I appreciate my hon. friend's interest in this matter. He will know that the RCMP has contracted with a deep-sea diving outfit and will be making an effort to recover more of the belongings of those people who died in that particular crash. They will be doing that this summer.

We hope that we will have the same success with that that the government did with the Reyat investigation and subsequent conviction in B.C.

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, no one has yet shown how an internal review by the Security and Intelligence Review Committee would impair the ongoing criminal investigation of the RCMP.

Will not the minister signal to SIRC that it should get on with its job and direct it to conduct a section 54 review under the CSIS Act so that questions regarding SIRC's or CSIS's surveillance role in this tragedy can be put to bed once and for all.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I reiterate that under no circumstances would I want to in any way impair the efforts of the RCMP and the progress that has been made to date. The RCMP realizes the concern that everybody has that the perpetrators of this crime be brought to justice and I am sure that everybody in the House agrees with that theory.

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CANADIAN DOLLAR

Mr. Stan Wilbee (Delta): Mr. Speaker, my question today is for the Minister of Finance.

The Canadian dollar continues to climb in relation to the U.S. dollar. There have been many claims that this is because of a secret deal made between Canada and the U.S. as part of the free trade deal.

I was wondering if the minister could tell us today about the true value of the Canadian dollar and if indeed there is any relationship to the free trade agreement.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the exchange rate of the dollar has absolutely nothing to do with the free trade agreement. As the hon. member knows, we have a floating exchange rate. The value of the Canadian dollar is established in the marketplace based upon many factors, i.e. commodity prices, balance of payments, capital movements, inflation, inflationary pressures and interest rates. All of those components are part and parcel of the value of the dollar.

I think one of the reasons that the dollar is enjoying a high value is simply the fact that many foreigners are investing in Canada. It is a clear demonstration of the confidence that is being expressed in the Canadian economy.

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CAPE BRETON ECONOMY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is to the Prime Minister.

The Prime Minister will know that on March 31 the mandate of Enterprise Cape Breton expired and that the government promised there would be a new regional development program in place before July 1. As the Prime Minister knows, the economic situation in Cape Breton is very serious. Unemployment is growing, there are continually closures and more bankruptcies. I want to know from the Prime Minister when this new regional development program, the successor program to Enterprise Cape Breton, will be announced and put in place.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I can simply respond on behalf of the Devco part of the equation, not the over-all Enterprise Cape Breton part of the question which perhaps my colleague can answer.

In terms of Devco, we have worked very closely with the board and with the union to see if we can have in place a more viable enterprise there. I am very hopeful with the co-operation that I have seen, the last three or four months in particular, between the union and management. So I am feeling more optimistic about Devco's future.

As for the other aspects of Enterprise Cape Breton, perhaps my hon. colleague can add to my answer.

Mr. Russell MacLellan (Cape Breton—The Sydneys): With all due respect, Mr. Speaker, the Prime Minister knows and the hon. minister knows that Devco has nothing to do with Enterprise Cape Breton.

What I wanted was an answer. One agency has been taken away and we were promised by the government that in Cape Breton there would be a replacement regional development program. I do not think it is too much to ask the Prime Minister and the government when they are going to keep that promise, particularly when the deadline they themselves set for replacing this agency is only a couple of weeks away. When will this agency be put in place?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the minister has already given the indications of the government. We are very concerned about the situation in Cape Breton. It has been a tough time in Cape Breton for as long as I can remember, 30 or 40 years. Successive governments have wrestled, with varying degrees of success, with very serious structural problems in the economy in Cape Breton.

• (1500)

We began with Enterprise Cape Breton. We had some successes and, as the report indicated, some failures. The cost of attracting jobs to Cape Breton pursuant to some of the programs that the previous government initiated and we initiated was deemed by some outside observers to be excessively high.

ACOA, which Premier McKenna has described as the most important regional development agency ever introduced into Atlantic Canada, is contributing in some substantial way to some successes in Cape Breton, but we are cognizant of the problem that my hon. friend raises.

We are also aware that decade after decade we have failed as a country to successfully resolve some of these serious problems in Cape Breton. I give my hon. friend the undertaking that the Government of Canada in co-operation with the Government of Nova Scotia will try even harder to bring about a greater degree of prosperity and social justice throughout eastern Nova Scotia and into Cape Breton.

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CONSTITUTIONAL AFFAIRS

Miss Deborah Grey (Beaver River): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs.

The government has indicated its opposition to sovereignty association, saying that Quebec can negotiate sovereignty but not association. This echoes statements by Reform Party spokesmen in the past 18 months, indicating to Quebecers that separation is not a costless excursion.

Will the government also indicate its opposition to asymmetrical federalism, that is that it is unacceptable in a truly federal system to grant special sovereign powers to any one particular province which cannot be granted to all provinces?

Right Hon. Joe Clark (President of the Queen's Privy Council for Canada and Minister Responsible for Constitutional Affairs): Mr. Speaker, I hope that the little coalition between the Reform Party and the Bloc Québécois might allow them in their seat to work out the small differences that they might have.

Let me make one thing very clear. The position of the Reform Party of Canada is a position which assumes the separation of Quebec. That is not a position which we in this party or most Canadians in this country accept.

Mr. Speaker: I remind the hon. members who are rising that I will recognize the hon. member for Surrey North on a question of privilege, which takes precedence.

* * *

PRIVILEGE

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND STATUS OF WOMEN

Mr. Jim Karpoff (Surrey North): Mr. Speaker, my privileges have been breached by the premature leaking of parts of the reports on health care to be issued by the Standing Committee on Health and Welfare, Social Affairs, Seniors and Status of Women, prior to it being tabled in this House.

Also the Liberal health critic, the member from Winnipeg North, told the press that "all parties have given their support to the report". However, he knew that the New Democratic Party and I did not support the Tory–Liberal majority report, that I had voted against the report, and that I would be issuing a minority report.

This misrepresentation of my position caused me embarrassment and forced me, in order to set the record straight, to breach House conventions and release my minority report at noon although the French translation was still not available.

This premature release of the parts of the report, the misrepresentation of the contents of the report and my position prevented me from carrying out the proper duties as a member of this House and therefore breached my privileges.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I do not believe there is a question of privilege pursuant to the rules as set out in Beauchesne's as well as in the Standing Orders.

There has been no notice given to this side with regard to this particular question of privilege. However, if the Chair wishes to take it under active consideration, perhaps at some point in the near future we may have an opportunity to revisit this particular argument and accept interventions from this side.

Mr. Speaker: The hon. member has raised by way of a question of privilege certain things that emanate from a committee.

It may be premature for the Chair to consider whether or not it is privilege. I will take it under consideration. The hon. member may want to consider my comment.

For the moment, though, I would like to move on. I have another question of privilege.

CANADIAN UNION OF POSTAL WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, I also rise to basically give notice of privilege or potential privilege at this time.

As the House is aware there were media reports this morning indicating that the office of the Canadian Union of Postal Workers was wire–tapped during the last round of collective bargaining.

As the member of Parliament of the New Democratic Party responsible for labour issues, I was in constant contact with that union, and I would worry—

Some hon. members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Murphy: Despite whether other members of this House consider it an important issue, my personal communications as a member of this House were potentially violated by the fact that there was a wire–tap occurring. My conversations as a member of this House were important in terms of my speaking in this House, in terms of my communicating and my negotiating.

I would raise this as a notice at this time because if there were a wire–tap conducted by Canada Post, the RCMP or CSIS, certainly my rights were impinged upon.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I just wanted to say that the laws on wire–tap in this country are very clear. If there has been a breach of the law, the appropriate authorities should take care of it.

I want to lay to rest any allegation that Canada Post in any way, shape or form tapped any phones during that period. I just did not want that accusation on the record.

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND STATUS OF WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I also rise on a question of privilege.

I wish to bring to the attention of the House events which occurred yesterday during an unrecorded, *in camera* meeting of the standing committee on health and welfare.

I feel that the rights of members of that committee were breached in several ways. There was interference by the office of the chief government Whip when proceedings were interrupted to change membership and substitution forms required to be relayed—

Mr. Speaker: If this is a matter which she alleges took place in the committee, it would seem to me that the Chair does not have any lawful authority to intervene at this time. I think the hon. member's proper course is to take the matter back to the committee. Until such time as I receive a report from the committee, I am not at all sure that I have any authority to act.

[*Translation*]

PROCEDURE DURING PASSAGE OF CERTAIN MOTIONS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish to raise a question of privilege, because last night, after the normal sitting hours of the House, the government, with the obvious co-operation of the opposition parties, participated in a brazen manoeuvre for the purpose of expediting more than 15 motions without consultation, which affected my privileges as a member, effectively gagging all independent members of this House in every debate today.

Mr. Speaker, when we consider the attitude of this House, and when we see the members of the three other parties getting upset, it is pretty obvious they feel guilty. I appeal to your sense of responsibility and especially to your obligation to protect the minority in this House. Mr. Speaker, at 3 p.m. we refused to give our consent to certain motions. When the government realized the motions had been rejected, it first made sure that our members were not in the House and then indulged in this brazen manoeuvre. In fact, it is worse than that. It is abuse of parliamentary procedure, because now all three parties have ensured— Just look at all the motions that were passed! I appeal to your sense—

• (1510)

Mr. Speaker: I listened with some concern to the comments made by the hon. member for Shefford. Nevertheless, we have a situation where apparently, the members who were in the House moved a motion that was adopted unanimously.

Consequently, the House has spoken. Perhaps the hon. member has a grievance, but all members have a responsibility to be present in the House during the proceedings.

Some hon. members: Hear, hear.

Mr. Speaker: Consequently, there is no question of privilege.

The hon. member for Mégantic—Compton–Stanstead, on another question of privilege.

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, my question of privilege concerns my constitutional right to be able to speak and vote in this House every time a decision is made.

I was here in the House until after the scheduled sitting hours. At 10.02 p.m., the government moved a motion for the sole purpose of allowing two or three members to speak to the motion on the Constitution. Today, I heard that instead, they intended to pass 15 motions and gag an independent member.

Mr. Speaker, I appeal to your sense of honour and justice, and I ask you to allow independent members in this House, members of the Bloc québécois, to speak to the bills and motions that will be tabled in the House today, despite the orders given last night.

Mr. Speaker, the Canadian Constitution, the Charter of Rights, members of this House are so proud of —

Mr. Speaker: In his question of privilege, the hon. member for Mégantic—Compton—Stanstead takes a certain position on the events that occurred yesterday, as a result of which a motion conclude the debate received the unanimous consent of all members present.

The hon. member may have a case under the Charter of Rights, but it is not up to the Speaker of the House of Commons to take a position on the Constitution. If the hon. member has a complaint, perhaps a conversation, a dialogue or negotiations with all other members of this House would be in order. Perhaps this approach would be acceptable to the hon. member.

However, I must say this is certainly not a question of privilege.

[*English*]

The hon. member for New Westminster—Burnaby, on her earlier question of privilege. I may have ended her comments prematurely. I will hear her now.

My point is that I am having difficulty seeing how at this stage in the committee's activities I have any lawful power to interfere.

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND STATUS OF WOMEN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, the point that I want to make is that there was external interference by the office of the chief government Whip, outside the committee, in the proceedings. The proceedings were interrupted to change membership, and substitution forms which were required were withheld by the Whip's assistant. The rights of the committee were breached when a vote which was properly held was improperly rescinded and the decisions of that committee were overturned.

With your consent, Mr. Speaker, I would like to give an outline of what happened. A vote was taken at the committee. The chair had ruled that the people there had the right to vote.

The assistant to the chief government Whip withheld the papers and as a result of that the vote was overturned.

Mr. Speaker: The difficulty I am in is that the hon. member must exhaust her remedies in front of the committee. At this point it would be improper, because I do not have the lawful authority, to interfere. The hon. member may want to pursue this in another way. The immediate way is to take it up with her colleagues in the committee.

I understand the hon. member's feelings on this matter and she may very well have a complaint. However, I have to say that I regret I am not in a position, certainly at the moment, to intervene.

There is a number of members rising on points of order. The Chair may need some help in order to get through this expeditiously.

If the hon. member, for example, for Annapolis Valley—Hants has a point of order arising solely out of Question Period I will hear him. That applies to other hon. members. If they are points of order that do not arise solely out of Question Period, as we are under an order to get on with the vote and then we have Routine Proceedings, I would prefer to take the points of order later.

Certainly the hon. members who are rising, if not heard now, will be heard a little later on. Perhaps if I give that assurance we can get on with the vote.

* * *

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, my point of order does arise out of Question Period. It is very short, it is succinct, but it may be substantive. I will be very brief. As we perhaps break for a summer recess I am just trying to determine what the rules and regulations are. I would like to know if there is any place in the Question Period for a bona fide supplementary yelled out fairly audibly.

That leads me to my second point, which I do not really want to press because I do not want to embarrass the Chair; I have the highest respect for the Chair. Perhaps it is time we admitted that there is a list if there is, and I would not want to say there is because it is an insult to the independence of the Chair to have a list. The Mother of Parliaments in England and the Parliament in Baghdad never had lists because that would be an insult to the Chair. If there is a list, I want to know if that is the sole criteria for members, and especially independent members who now do not come within a government situation, to be recognized. Then we can save a lot of physical energy that we spend in getting up and down like a yo-yo and not being recognized. Those are my two questions.

Mr. Speaker: Perhaps I can help the hon. member. First of all, I am not revealing a great secret when I say that of course there is a list. The hon. member has often been on that list. Your Speaker is not necessarily bound by the list, although I always try to co-operate as much as I can. I could even tell the House how we got to the list. The hon. member knows very well how we got to the list. It was through great discipline in keeping just one member of the party up in opposition so there was only one person the Speaker could go to. There is no secret about a list, and the hon. member knows as much about lists as any member in the House.

• (1520)

The other question the hon. member poses is whether there is there any place for the independent member or for a supplementary upon certain occasions.

Of course there is. The hon. member was recognized for a supplementary only a few days ago. I have often gone to members for a supplemental. However, I have to take into account the number of members who are seeking the floor and what is happening on any given afternoon. The hon. member knows I cannot satisfy everybody on every afternoon. That is a matter which my hon. friend who may be rising later on a point of order may come back to.

I appreciate the hon. member's intervention and my answer is yes, there is a list. I am not bound by it. I can ignore that list and intervene to allow private members, wherever they are, not only to ask questions but also to ask supplementals. That is a right which remains with the Chair and I do not think it has ever been seriously challenged. I would remind all hon. members that it is a right which the Chair has had almost since: "The memory of man runneth not to the contrary".

If the points of order are not arising out of Question Period, something that happened in Question Period or something that did not happen in Question Period, I would ask hon. members to raise them later.

GOVERNMENT ORDERS

[*English*]

NATIONAL UNITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE

The House resumed from Tuesday, June 18, consideration of the motion, as amended, of Mr. Clark (Yellowhead) (p. 1912).

Mr. Speaker: Pursuant to order made on Tuesday, June 18, 1991, the House will now proceed to the taking of the deferred division on the motion, as amended, respecting the appointment of a special joint committee of the Senate and the House of Commons to inquire into proposals for a renewed Canada.

Call in the members.

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

(*Division No. 25*)

YEAS

Members

Allmand	Anderson
Andre	Arseneault
Assad	Atkinson
Attewell	Axworthy (Winnipeg South Centre)
Baker	Beatty
Bélair	Bellemare
Belsher	Berger
Bernier	Bevilacqua
Bird	Bjornson
Blackburn (Jonquière)	Blais
Blenkarn	Blondin
Bosley	Boudria
Bourgault	Boyer
Brightwell	Browes
Caccia	Campbell (Vancouver Centre)
Cardiff	Casey
Catterall	Chadwick
Champagne (Champlain)	Charest
Chartrand	Chrétien
Clancy	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Cooper	Copps
Corbeil	Côté
Couture	Crosby (Halifax West)
Darling	DeBlois
Della Noce	Desjardins
Dick	Dingwall
Dionne	Dobbie
Domm	Dorin
Duhamel	Duplessis
Edwards	Fee
Feltham	Ferguson
Ferland	Finestone
Flis	Fontaine
Fontana	Foster
Fretz	Friesen
Gaffney	Gagliano
Gauthier	Gibeau
Gray (Bonaventure—Îles-de-la-Madeleine)	Gray (Windsor West)
Greene	Guarnieri
Guilbault	Gustafson
Halliday	Harb
Harvard	Harvey (Chicoutimi)
Hawkes	Hicks
Hogue	Hopkins
Horner	Horning
Hudon	Jacques
James	Jelinek
Johnson	Joncas
Jourdenais	Kempling
Keyes	Kilger (Stormont—Dundas)
Koury	Landry
Larrivée	Layton
LeBlanc (Cape Breton Highlands—Canso)	Lee
Lewis	Littlechild
Loiselle	MacDonald (Rosedale)
MacDonald (Dartmouth)	MacDougall (Timiskaming)
MacKay	MacLaren
MacLellan	Maheu

Malone	Manley
Marchi	Marin
Marleau	Martin (LaSalle—Émard)
Masse	McCreath
McDermid	McLean
Mifflin	Milliken
Mitges	Monteith
Mulroney	Nicholson
Nunziata	Oberle
O'Kurley	Ouellet
Pagtakhan	Peterson
Phinney	Pickard
Plourde	Porter
Pronovost	Proud
Prud'homme	Reid
Reimer	Ricard
Richardson	Rideout
Robitaille	Rompkey
Saint-Julien	Schneider
Scott (Hamilton—Wentworth)	Shields
Siddon	Sobeski
Soetens	Sparrow
Speller	Stevenson
Stewart	Tardif
Tétreault	Thacker
Thorkelson	Tremblay (Québec-Est)
Turner (Halton—Peel)	Vanclief
Van de Walle	Vankoughnet
Venne	Vézina
Vien	Volpe
Walker	Wappel
Weiner	Wenman
White	Wilbee
Wilson (Etobicoke Centre)	Winegard
Wood	Worthy
Young (Acadie—Bathurst)—189	

NAYS

Members

Althouse	Angus
Axworthy (Saskatoon—Clark's Crossing)	Benjamin
Black	Blaikie
Bouchard (Lac-Saint-Jean)	Breaugh
Brewin	Butland
Duceppe	Edmonston
Fulton	Funk
Gardiner	Gérin
Grey (Beaver River)	Harvey (Edmonton East)
Heap	Hovdebo
Hunter	Karpoff
Kindy	Kristiansen
Langan (Mission—Coquitlam)	Langdon (Essex—Windsor)
Lapierre	Laporte
Leblanc (Longueuil)	MacWilliam
McCurdy	McLaughlin
Mitchell	Murphy
Nystrom	Parker
Riis	Robinson
Rocheleau	Stupich
Taylor	Waddell
Whittaker	Young (Beaches—Woodbine)—44

PAIRED MEMBERS

Members

Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. Paproski): I declare the motion, as amended, carried.

Points of Orders

POINTS OF ORDER

SPECIAL JOINT COMMITTEE

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, I voted on this resolution, wholeheartedly supporting the super committee, knowing full well and expecting that there will be provisions made in an *ex officio* capacity for aboriginal people.

• (1550)

1968 ELECTION

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise on a point of order. I want to draw the attention of the House to a very important date, June 25, next Tuesday, because that is the anniversary for at least seven members of this House of Commons who were elected some 23 years ago on June 25, 1968.

They include yourself, Mr. Deputy Chairman of Committees, and the Deputy Prime Minister. This illustrious group of members also includes the hon. member for Regina—Lumsden who is sitting down here and the hon. member for Yorkton—Melville who I guess is not in the House today, a very distinguished member. It includes also the hon. member for Davenport who sits right here but has just stepped out of the House, the hon. member for York Centre and myself.

Some hon. members: Hear, hear.

Mr. Foster: I might mention that the hon. member for Papineau—Saint-Michel who was elected actually in a by-election in the fall of 1967 has been adopted by the class of 1968 as an integral part of our group.

I might say that 1968 was a really great year, and I think most of the members of the Official Opposition would agree with that. It was great for many reasons, but especially because we were just coming out of our country's centennial year and we showed great optimism, great hope and great confidence in our country.

As we go into this year, with all its trials, tribulations and great difficulties, I hope that we may find anew using those traditional Canadian feelings of of tolerance, goodwill and understanding the hope, the confidence and the optimism that we had in 1968 and go on to build a better and even stronger Canada.

Mr. Les Benjamin (Regina—Lumsden): Mr. Speaker, my dear colleague stole my stuff. I just wanted to add that of the 96 members of Parliament first elected in 1968, only about six and a half of us survived. I warn all hon. members about the mortality rate around here. There is no such thing as a cinch except in the saddle.

I want to say also that the hon. member for York Centre is a second offender because he did not serve the whole time. He got knocked off in one election and came back again in the next one. He is a recidivist. However, we include him in our august group. I want to remind the House that this august group will be meeting this evening and the time and place are secret to everybody else.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I of course want to associate myself with the remarks of the hon. member for Algoma and the hon. member for Regina—Lumsden. I also want to echo what they have said. I think it is fair to say that paying tribute to the survivors causes us to reflect on some of the very interesting times that we have had. I think 1968 was indeed a very special year as the hon. member said.

There was a huge majority. The Liberals were in charge. There was a huge majority, so it gave many of us newcomers an opportunity to learn parliamentary procedure at a very relaxed pace.

I think it is fair to say that throughout the 23 years we have all developed a very warm and healthy respect for each other, a very warm friendship. It is also fair to say that each and every member has contributed something significant to his or her own constituency, own region, and to Canada. For that I want to salute them all.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Kootenay West—Revelstoke, all I would like to say is that it is great to be a survivor.

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

Mr. Lyle Kristiansen (Kootenay West—Revelstoke): Mr. Speaker, I have a question for the parliamentary secretary to the government House leader. Next Tuesday, June 25, marks another anniversary as well. It is the fifth anniversary of the passage by this House of Bill C-45, the Parliamentary Employment and Staff Relations Act, and it has still not been proclaimed.

My question to the parliamentary secretary to the government House leader is: Can we expect that Parts II and III, which give effect to the act and extend to House and Senate employees the same health and safety rights enjoyed by all other Canadians, will be proclaimed by that date? If not, by that date? When, after five years?

The Acting Speaker (Mr. Paproski): That is not a point of order. It is an extension of Question Period.

SUPPLEMENTARY QUESTIONS

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, I just want to bring to the attention of the House some points of order. I want to use as my references the Standing Orders and Beauchesne's which I know are legitimate because the House leader of the Official Opposition just used them as references in his point of order, so they must be valid. I refer to Beauchesne's citation 410, Standing Order 37 and to Erskine May's *Parliamentary Practice* which all say: "Supplementary questions need no preamble and should flow from minister's questions".

All the supplementary questions today were out of order. I just wish to bring this to the attention of the House management committee. I hope that it will direct—

The Acting Speaker (Mr. Paproski): If the hon. member has time, maybe in the next couple of days he could go into the Speaker's chamber and discuss it a little further.

ROUTINE PROCEEDINGS

[*English*]

LOWER CHURCHILL DEVELOPMENT CORPORATION

ANNUAL REPORT

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the annual report of the Lower Churchill Development Corporation for the year ending December 31, 1990.

HUMAN RIGHTS AND STATUS OF DISABLED PERSONS

GOVERNMENT'S RESPONSE TO FIFTH REPORT

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have the honour today to table in the House a document on behalf of the Secretary of State for External Affairs.

Pursuant to Standing Order 109 I table, in both official languages, the government's response to the fifth report of the Standing Committee on Human Rights and Status of Disabled Persons on development assistance to Guyana.

* * *

WESTERN ARCTIC INUVALUIT CLAIM

ANNUAL REVIEW OF IMPLEMENTATION REPORT

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, under the provisions of Standing Order 32(2), I have the honour to lay upon the table copies in both official languages of the 1989–90 Annual Review of the Western Arctic Inuvaluit Claim Implementation Report.

* * *

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of Order in Council appointments which were made by the government.

Pursuant to the provisions of Standing Order 110(1), these appointments are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): While I am on my feet and pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's responses to 34 petitions.

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

* * *

• (1600)

[*Translation*]

PUBLIC SERVICE OF CANADA

REFORM PLAN

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I tabled yesterday in this House a bill setting out what is probably the most important Public Service reform plan in nearly a quarter of a century.

Economic conditions may command stringent wage constraints, but they must not stop us from having a broader vision. For Canada to be competitive on all fronts, changes have to be made now to produce, in time, a more modern and efficient Public Service.

Mr. Speaker, I rise before the House today to provide the honourable members with a statement on the status of collective bargaining in the Public Service. I believe it is important that Members are aware of the current situation and that the facts be clearly presented.

You will recall, Mr. Speaker, that in the February 26 Budget, the then Minister of Finance set out the government's wage policy for the next three fiscal years. In fiscal year 1991–92, salary budgets in departments are frozen at the level of the previous year.

The Minister indicated at the time that any negotiated wage increase this year would require a corresponding reduction in employment and that, in any case, the government would not contemplate wage increases this year of more than 3 per cent. In the following two fiscal years, provision is made for annual increases of up to 3 per cent.

This approach, Mr. Speaker, was imposed by economic necessity, balanced by a desire to continue collective bargaining with the unions. In that spirit, I met with the leaders of the Public Service unions on the day following the Budget to explain the Budget policy to them personnaly, and to seek their cooperation in negotiating agreements that the Canadian public can afford.

Since February, there have been regular collective bargaining sessions with Public Service unions representing 58 of the 80 bargaining units and 184,000 of the 190,000 employees subject to collective agreements. I regret to inform the House that unions generally have not agreed to accept, in their negotiating demands, the limits established by the Budget—and the fiscal situation that lies behind it.

Union leaders have continued to make wage and benefits demands that are well beyond the capacity of the public purse. Indeed the leadership of the two largest unions, the Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada have, to my considerable regret, publicly stated that their unions will take whatever action is required to force the government to change its wage policy.

[*English*]

The government and the country are faced with a fiscal situation which must be addressed. The government outlined its full dimensions in the budget and we owe it to the Canadian public, who are faced with the corrosive effects of recession in every sector of the economy, to live within the measures announced at that time. The fiscal imperatives are clear. We must contain both the deficit and inflationary pressures if interest rates are to be brought down to a level that will lead to a sustained economic recovery.

Continued federal government leadership in dealing with inflationary public sector wage pressures is an essential part of this strategy. The actions of the six provinces which have followed our lead since the budget show that it is the right course.

As President of the Treasury Board I must pursue this objective in a way that preserves the integrity of government services to the Canadian public while minimizing the impact on public employees.

In addition, this government is engaged in a far-reaching process of renewal in the Public Service which I do not wish to see compromised. Its two cornerstones are a more service-oriented Public Service and greater attention to the human dimension in managing the Public Service.

My strong preference, therefore, is to continue to work with the unions to arrive at fair settlements for our employees which are within the limits of what the government and the taxpayers can afford to pay.

At the same time, I will be the first to acknowledge that the choices we have offered the unions are not very palatable to them any more than they are to the government. This is reflected in the current state of the collective bargaining negotiations.

By June 21, the last day before the summer recess of Parliament, 55 of the 80 bargaining units representing some 165,000 employees will have collective agreements that have expired. In five cases, they have been expired for more than one year.

By the time Parliament convenes in September, a further eight agreements will have expired. Also, by that time as many as 38 bargaining units and 170,000 Public Service employees could be in a legal position to strike. In addition, we expect binding awards to be handed down in early July for 18 occupational groups represented by the Professional Institute of the Public Service of Canada.

[*Translation*]

Mr. Speaker these are the facts of the situation. I would now like to advise the House of the guiding principles that the government intends to follow during the summer months as this situation unfolds. We will continue to press for negotiated settlements for as long as the unions are willing to come to the table. We owe this much to our employees and to the system of collective bargaining itself, which has served both employer and employees well over the years.

But we will move swiftly and firmly if the situation deteriorates unacceptably. We will seek the recall of Parliament to enact the necessary legislation if there are illegal strikes or if there is unreasonable disruption in service to the public.

As announced in the Budget, we will act to modify any arbitral awards that go beyond the 0-3-3 guidelines to bring them in line with the Budget. If we are forced to introduce legislation, it will cover all departments and agencies for which the Treasury Board is the employer as well as other public bodies that are dependent to a significant degree on Parliamentary appropriations. This would include Parliament and its employees. And the same terms will aply to all: a 0 per cent increase in wages in fiscal year 1991-92 or in the period immediately following the expiry of a collective agreement and 3 per cent in the following year.

Three groups whose contracts had already been the subject of protracted negotiations before the Budget—the Translation, Auditing, and Computer Systems Administration groups—will be provided with higher settlements for the period before this fiscal year, but they too will then be covered by 0 and 3.

This legislation, then, would apply for the first two years of the three-year compensation restraint program announced in the February 26 Budget. The government remains committed to the Budget ceiling of 3 per cent in the third year of the program. The Minister of Finance announced in the Budget inflation targets for the next five years: 3 per cent by the end of 1992; 2 1/2 per cent by the middle of 1994; and 2 per cent by the end of 1995. These reduced inflation levels should allow us to achieve the third year of the compensation restraint program through collective bargaining.

• (1610)

Having stated my desire to continue to negotiate, I recognize that for some bargaining groups it may not be feasible to expect a voluntary agreement by the time the House returns on September 16. If this proves to be the case, I think it will probably be in the best interests of all concerned to introduce compensation restraint legislation at that time to cover those who have not been able to settle for at least a two-year agreement within the 0-3-3 limits. I am very conscious that this would mean the suspension of collective bargaining for this round, but it may be the fairest course to take under the circumstances.

[*English*]

These are hard measures, made necessary by hard times. In the economic climate in which we live, I do not think it is unreasonable to expect public sector employees to assume their share in working toward recovery. In my own recent travels across Canada, I met with Public Service employees at all levels and in all regions. I have concluded that these employees who, after all, are taxpayers themselves, are prepared to accept lower wage increases over the short term in order to make the future brighter for us all.

I received a second message both from union leaders and employees. The recession and the government's fiscal situation have created profound and, I do agree, understandable uncertainties in the minds of Public Service employees about the risks of losing their jobs. They are aware of the job losses and of the sacrifices that are being felt in the private sector and they are deeply conscious of the potential implications for themselves of the wage targets announced in the budget. This uncertainty also undermines the effective delivery of government services, and I want to put an end to it.

On May 29 I advised union leaders that the government had effectively lost any room it might have had to negotiate wage settlements for the current fiscal year at an increase of more than zero per cent. To proceed with a 3 per cent increase three months into the fiscal year would probably mean releasing more than the 6,000 employees forecast in the budget.

The other side of this coin is that a freeze on wage levels eliminates for all practical purposes the necessity to reduce further the number of jobs in the Public Service during the period of such a freeze. We will continue to need to change or eliminate specific jobs as the Public Service adjusts to changing demands for its services. Here and now I can make a commitment that every current employee of the Public Service who is affected by any such changes resulting from the budget will be offered a position on comparable terms for the period for which the wage freeze applies, if he or she is willing to be trained or relocated.

In that spirit I would also like to announce that departments will be instructed not to proceed with contingency plans which they were asked to develop at the time of the budget to absorb any wage increases in 1991-92 above zero per cent. There will, therefore, be no reason for lay-offs in the balance of this fiscal year as a consequence of the budget.

This is not job security in the sense in which unions negotiating demands too often mean it; a guarantee of lifetime employment. It is not this kind of job security. That would be unacceptable. Like good employers in the private sector, we recognize that it is in the interests of the employer and employees alike to have as much continuity and certainty as possible in order to have a productive and stable workforce.

This government's record in redeploying employees whose jobs are eliminated for other reasons is an excellent one, as the experience of the recently completed five-year downsiding program demonstrates. This has been thanks to the workforce adjustment policy which has provided an equitable safety net for employees. That policy expires on June 30 of this year. However, we are very much interested in negotiating a new one, in consultation with the unions under the auspices of the National Joint Council. In doing so we are prepared to explore ways of alleviating union concerns about the effects of contracting out in particular.

Our discussions with union representatives have made good progress and I am hopeful that we can arrive at an agreement.

[*Translation*]

Mr. Speaker, today I am asking the leadership of the Public Service unions to go an extra mile with us in avoiding major disruption to the Canadian public this summer.

In my time as President of the Treasury Board, I have developed a great respect for them personally and for the system of collective bargaining that is one of the foundations of our Public Service. I know they share the priority that I give to maintaining the highest possible quality of service to the Canadian public.

I know too that the union leaders understand that the government will not deviate from the terms of the February 26 Budget, especially at a time when there is mounting evidence that we are on the right track and have the strong backing of Canadians for what we are seeking to do.

But I believe there continues to be real scope within the Budget to arrive at negotiated settlements that meet the needs of our employees. The government will introduce legislation if it must, but I would prefer to try to make the established insitutions of staff relations work in these difficult times as well as they do in better circumstances.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, in 1984 this government was elected on the illusory promises of fiscal responsibility, solving the economic problems of the country and jobs, jobs, jobs. Seven years later 1.5 million Canadians are unemployed, the debt and the interest it is costing have more than doubled, and the nation has been in an unnecessary, made–in–Canada recession created by this government. Canadians have been realizing for some time that the Emperor has no clothes, no vision and certainly no economic plan.

Today's statement is the culmination of the government's abject failure to meet its commitment to Canadians, to provide them with good government with quality services at an affordable price.

The statement today appears, like so much the government has done, on an *ad hoc* basis, decided at the last minute, thrown before Parliament without adequate forethought. In fact, as the person expected to reply to this motion, I heard that from the press that this statement would be made, not from the minister's office.

Yesterday, the President of the Treasury Board presented a package of so–called reform and revitalization of the Public Service. I must remind the minister and Canadians that this has been the foremost Public Service in the world, up until recently.

He said that this bill would help Public Service employees to concentrate on service to citizens rather than serving systems. He added that Canadians expect a Public Service that is effective and up to date, which is staffed and led by Canada's ablest men and women.

In this statement today the same minister has shown that he has no understanding of how to build commitment, competence and progressive thinking and service to the public in the Public Service of Canada.

I marvel at the minister's audacity to stand up again, in a final display of disregard, on the eve of the recess of Parliament. It is a display of disregard for workers' rights, threatening to call Parliament back, threatening to introduce legislation when he cannot negotiate a zero increase this year, even threatening to override the decisions of impartial third party adjudicators.

• (1620)

The minister says he has a desire to continue collective bargaining, an admirable statement. The minister should bargain with the unions at the table, and not on the floor of the House of Commons.

May I interject on a point of order? I am finding it increasingly difficult to speak with the rabble going on around me.

The Acting Speaker (Mr. Paproski): Order, please. The Speaker finds it difficult to speak with some of the static that is going on over at that side of the House. I would just hope you would keep it down, please.

Mrs. Catterall: Thank you very much, Mr. Speaker. There is a lobby outside and if people want to be disruptive, they can do it there.

The minister quotes economic necessity as the reason for this statement today and for the regressive and excessive measures announced in the February 26 budget. The economic necessity has been created by this government, not by the workers, not by the employees. The economic necessity arises directly from this government's policies: high interest rates, a high dollar which is hurting our manufacturers and hurting our exports, high unemployment and unprecedented tax increases.

The recession has been created by this government, not by Canadian workers. Particularly, federal public sector workers have shown remarkable restraint in wage demands, giving a complete lie to the minister's statement that the unions representing Public Service employees have been irresponsible in their wage demands.

The minister calls on the public sector workers to assume their share in working toward recovery. That is exactly what they have done. The minister knows perfectly well that federal government workers have led the way for over half a dozen years, in wage restraint, accepting wage settlements below the rate of inflation, accepting wage settlements below those of any other public sector worker and accepting wage settlements far below those of the private sector.

He gets up today and pretends to the Canadian public that somehow federal public sector workers have been driving inflation and driving economic problems, and that is simply not an accurate reflection of reality. It is a reflection of the fact that the government wants to try and pretend that somehow it is those who work for the people of Canada who are responsible for the fiscal and economic problems this government has created.

The government served a signal on February 26 that it had no intention of bargaining in good faith. I want to say very clearly in this House that the Liberal Party introduced collective bargaining into the Public Service of Canada and the Liberal Party will continue to defend collective bargaining in the Public Service of Canada.

The government has stalled on negotiations. It calls on the unions in this statement to come back to the table. It is the government that has stalled on negotiations and has not been negotiating. It is not negotiation when you sit down at the table and say "this is what you are going to get." The minister's concept of negotiation is like the concept of justice in some countries: "Yes, we will give you an open, public trial. Yes, you can call witnesses, but in the end you are going to get executed." That is not justice and this is not collective bargaining.

Unions have not accepted the bargaining by blackmail which this government tried to introduce by saying very clearly to people at the beginning of the process, before they had any discussions or any negotiations, here is the bottom line, like it or lump it, and the bottom line was this: you can either get a fair salary increase this year or you can sacrifice the jobs of your fellow employees.

The unions, I think quite properly, have said they are not prepared to bargain away the jobs of their fellow workers. This kind of bargaining by blackmail simply is not the way we operate in a democratic nation. We operate in a democratic nation by workers, employees and their employer sitting down and trying to reach a reasonable solution.

Since February 26, this government has precluded that happening. It has given employees every reason, in this statement today, to know that it is not dealing in good faith with its employees. They know that. They have those cases before the courts and those cases will be dealt with before the courts.

But clearly, when you sit down at a bargaining table and say this is going to be the end result, no negotiations take place, no negotiations have taken place and no negotiations can take place. For the minister to try and blame the employees for the outcome of that kind of bargaining by blackmail, is simply not a fair representation to Canadians or to this House of the situation.

The minister has said that the fiscal situation is responsible for this. Well this government has created the fiscal situation.

I ask Canadians, as I ask all members of Parliament, to listen to the messages we have had from this government. For six consecutive budgets it said: "We have a debt problem. We have a deficit problem. Here are tough measures to deal with the debt and deficit. We are asking all Canadians to pay more, to get less, to do with less, tighten their belt buckles so we can get rid of the debt and the deficit." That is six consecutive years of promises to do something about the debt and the deficit and it keeps going up.

Canadians are starting to wonder if this government has any idea what it wants to do about the debt and the deficit because every single solution it has proposed has failed to work.

An hon. member: No credibility. No trust.

Mrs. Catterall: This government claims fiscal responsibility. I sat in meetings of the public accounts committee where Treasury Board officials said: "We cannot tell you if you are saving money by your downsizing program because we cannot tell you what you are spending on contracting out or short-term employees".

In other words, while contracting out has gone up by billions of dollars, while the Public Service of Canada has been destabilized, while service to the old, the young and the sick has been suffering, this government is totally unconcerned about how much money it is wasting on contracting out. In fact, for all the Canadian public knows, for all the public accounts committee knows, for all this House knows, we are spending twice as much on services, through contracting, as we were six or seven years ago, because this government simply does not know. Is that fiscal responsibility? Of course it is not.

The government will cite its commitment to austerity in the bill that says: "Well members of Parliament are going to restrain their own wages in line with the restraint on public sector wages." We note that the government did not decide to restrain its own wages based on this year's collective bargaining when public servants' wages are to be frozen. Oh, no, we, as members of Parliament, are not going to put ourselves in that boat. We are waiting until next year when we are promising the Public Service 3 per cent.

That kind of hypocrisy is something of which Canadians are sick and tired. That kind of hypocrisy is something that makes it impossible for public servants to work with confidence and with trust in partnership with this government.

Who is really going to suffer? It is easy when you are earning over $100,000 a year to say: "Oh well, I will do without a salary increase this year", or "I will accept 3 per cent next year". Who is going to really suffer? How about those tens of thousands of people, 80 per cent of them women, who are earning under $19,000 a year? They are the ones who are going to suffer. Is there any special provision for them?

How about the 68,000, nearly one-third of public sector employees, who earn incomes below the poverty line?

That is not the message that this government wants to get out there. It wants to get out the message that everybody working for the federal government is a fat cat, living high off the hog, working maybe one-quarter of the day. They know that it is not true and they have a duty to tell the public of Canada that it is not true.

The minister promises no further job cuts. Does he think anybody believes that? My phone has been ringing for months with calls from people. We are cutting out things like health promotion services and people are losing their jobs. We are cutting out or eliminating supervision of drug residues in foods in Health and Welfare and it is probably still going on today.

• (1630)

People are losing their jobs and Canadians are losing valuable services.

A few years ago we had a five-year downsizing program which is now finished. It ended at the end of last year. Now we have another downsizing program. The minister has said that they told departments not to implement their downsizing. That is not very believable when today in government departments across the country people are being told they do not have jobs and are on surplus.

If you were going to cut the fat in government you might look at the most bloated cabinet in any nation in the free world. You might want to look at why cabinet ministers have doubled the number of employees they can take out of those over-worked government offices and put to their own personal and political service. They have doubled the number that they can use, doubled the costs to the Canadian public, and cut services to Canadians.

Perhaps we on this side of the House should be happy that 1.3 million people who work for the public sector across Canada are seeing this government for what it is because they are not going to want to vote for it, they and all their families, friends and neighbours. Perhaps we should be happy about that. We are not. We are not because we know it will be Canadians who suffer.

Seventy per cent of the Public Service is not here in the national capital region, not at the beck and call of members of Parliament and members of cabinet. Seventy per cent is out there across the country in communities from the 12,000 in Victoria, to the 18,000 in Halifax, to the 9,000 in Newfoundland, delivering service to Canadians. Cutbacks are hurting Canadians. We saw with the ships' crews it is rescues at sea that suffer when public servants are not there to do the job. Seniors suffer when they cannot even get a simple answer to a pension request for over six weeks. The unemployed suffer when they are trying to feed a family when they are out of a job and the unemployment office is so over-worked that there is going to be a six to eight week delay in the delivery of their cheques.

Canadians suffer when customs at the border are understaffed. Those who collect 25 per cent of the revenue that comes into the country are only collecting 40 per cent of what they could because they do not have enough people to do the job.

We heard very recently in this House about cutbacks to health services to Canadians at a time when our medicare system is in desperate trouble because of the cutbacks of this government to the funding of medical services.

All those services which Canadians consider part of being Canadian, part of a just and compassionate society, part of a society which serves its people from coast to coast to coast are in danger because of the actions of this government.

This statement is a travesty. It has nothing to do with good management. It has nothing to do with good government. It has a lot to do with the politics of Preston Manning and the Reform Party. If Canadians wanted to see a precedent of what they are in for with the next Conservative government, or with a Preston Manning government, just let them watch. I ask Canadians this summer when some of their services may be disrupted to remember it is not the over-worked public servant behind the counter who is to blame, it is this government.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I share the views of the hon. member from the Liberal Party when I say how frustrating it is to have the opportunity to respond to a statement not even knowing that the minister is going to make a statement in the House.

On a day when we should be celebrating the end of a parliamentary session and heading home to our ridings and families, we face instead a day of mourning. After hearing the minister speak I think we have to acknowledge that we have heard the minister sound a death knell for collective bargaining in the public sector.

The minister in his speech said that on the day following the budget he met with the unions personally to seek their co-operation in negotiating agreements that the Canadian public could afford. The day after the budget he decided to consult, the day after the hammer came down the minister decided to consult. Not before the budget, not in any way being serious about consultation when that consultation was taking place after the fact.

The minister went on to say that the unions generally have not agreed to accept in their negotiating demands the limits established by the budget. What a surprise. They were consulted after the fact.

He went on to say that the leadership of the two largest unions, the Public Service Alliance of Canada and the Professional Institute of the Public Service of Canada, have, to his regret, publicly stated that their unions will take whatever action is required to force the government to change its wage policy.

That is exactly as it should be, because those union leaders were speaking on behalf of their membership after having had a free vote within their unions about what they thought about the government's policies.

Government after government, both Liberal and Conservative, have refused to legislate full free collective bargaining for public sector workers. Both those governments have treated their workers with great disdain; both have consistently refused to treat the men and women who work for them as partners. They have continued consistently, both governments, to treat them as adversaries.

They cannot negotiate classification or pensions and there are a whole number of prohibited areas under the Public Service Staff Relations Act which the unions cannot negotiate. That act was passed 25 years ago. We have had a successive parade of Liberal and Tory governments ever since, for at least 20 of those 25 years, which have wanted to amend this legislation.

The government introduced Public Service 2000. Many of the attitudes at the bargaining tables and the reason many of the components have not completed their bargaining is because the government has been stalling, waiting for this legislation. Now we find out that the government introduces legislation which does not bring Public Service 2000 into a mode to be ready to go into the 21st century. As my colleague from Nickel Belt says, we should be calling this PS 1000 because you have taken us back to the dark ages.

The minister referred to continued federal government leadership in dealing with inflationary public sector wage pressures as an essential part of his strategy; "and the actions of six provinces which have followed our lead since the budget show that it is the right course". Everybody in this House knows and Canadians all across the country know that the Minister of Finance called together the finance ministers, cut a deal, and agreed before the federal budget came in that they would attack the public sector workers from coast to coast to coast in this country. The two governments in this country which have made it absolutely clear that they will live up to their collective agreements have been the Bob Rae government in Ontario and the Tony Penikett NDP government in the Yukon.

The fact that six other governments in this country have followed suit with this misguided Tory government does not mean that this government is following the right course. It means that six other Liberal and Tory governments are on the wrong course.

I would like to go on through the minister's comments.

• (1640)

He talks about a renewal of the Public Service which he does not wish to see compromised. Does he mean renewal with a hammer?

He talks about bringing the human dimension into managing the Public Service. The human dimension is back to work legislation. He is saying: "If you do not settle, we will tell you what you get". Is that the human dimension that the minister is speaking about? If that is the human dimension that this government talks about then I am surprised that this government has not introduced legislation to abolish collective bargaining in the public sector.

That is in fact what the minister is doing. He is calling it another name. He is saying: "If the unions do not settle by September 16, it does not matter that they are in a free collective bargaining process". If they do not settle, the minister has said: "We will tell you what you get. We will suspend collective bargaining for this round".

I wonder about a minister who says he is concerned about the human dimension in managing the public sector in one paragraph and in the next paragraph talks about suspending collective bargaining in this round.

He goes on to say that 55 of the 80 bargaining units representing some 165,000 employees as of tomorrow will have collective agreements that have expired, in five cases for more than a year.

It is interesting that when this government wants to make progress and wants things to happen—my leader mentioned during Question Period that it wanted the grain handlers' industry back in operation, it wanted gun sales legislation to go through—anything can be done by this government. When it comes to collective bargaining, this government has set the pace for the country for stall tactics.

Fifty-five out of 80 bargaining units are living with expired collective agreements. Yet, the minister says that if they do not settle by September 16 he will tell them what they get. He goes on to say that by that time—meaning September—as many as 38 bargaining units and 170,000 Public Service employees will be in a legal position to strike.

"Legal" is the operative word here. The minister very clearly stated today that "legal" means nothing. The minister has said that he will recall Parliament immediately to legislate these workers back to work whether the strike is legal or illegal. If they do not have a collective agreement by September he will tell them what they are going to get.

Free collective bargaining is something we should be very proud of in this House. He says he will continue to press for negotiated settlements for as long as the unions are willing to come to the table. When somebody announces to me that the deal is zero-three-three, that we are not moving on anything and that we are going to sit around and wait until the minister introduces the legislation.

He is going to draw up the legislation. We are going to adjourn for a couple of months and if the unions wait long enough we will tell them what they are going to get. Who the heck would want to come to the bargaining table? I am surprised that the unions have stayed at the table as long as they have.

He says: "We will seek the recall of Parliament to enact the necessary legislation if there are illegal strikes or unreasonable disruption of service". Again, "legal" does not mean anything. What is the point of having the right to legally strike in the public sector if the minute you do you are legislated back to work? That is a farce.

The minister talked about recognizing that for some bargaining groups it might not be feasible to expect a voluntary agreement by the time the House returns. It might not be feasible. Mr. Minister you said that. Yet, the minister is saying that he will introduce compensation restraint legislation at that time to cover those who have not been able to settle their agreement.

What is the point? The Treasury Board has no reason to bargain now. The union could keep coming to the table all summer long, but there is no reason to bargain. The minister has promised the Treasury Board bargainers: "Just hang out, guys, because on September 16 I am going to introduce legislation and you do not have to do the work you set out to do. I will do it for you". That is free collective bargaining, public sector style, under this government.

He says that on September 16 he will suspend collective bargaining for this round, but it may be the fairest course to take under the circumstances.

Why does he not just save time? Why does he not just introduce legislation today saying: "You have no rights, public sector workers. I am going to do it for you. I am going to tell you what you get". There is nothing fair about even one thing the minister said in his statement today. Not one thing he said was fair. Yet he says it may be the fairest course.

He has concluded that these employees, after speaking to a number of public sector workers across the country, are prepared to accept lower wage increases over the short term in order to make the future brighter for us all.

I ask the minister to name names. I would like to know if any of those workers who were willing to take a lower wage to make life rosy for us all, were the women who are working at the poverty level for the federal Public Service.

I would like to know if any of those people he spoke to were women who were waiting for the promised pay equity under this federal government. I would like to know and I am anxiously going to await a response at some time from the minister on that count.

He says that the uncertainty undermines the effective delivery of government services and he wants to put an end to it. I guess it is better to be certain you are being beaten up by this government than to continue to be uncertain whether you are going to be beaten up by this government.

He says that for the period of the wage freeze he is willing to ensure that nobody is laid off if the union accepts the zero, three and three, and if workers are willing to be trained and relocated.

Just yesterday, in the briefing for PS 1000 the minister's representative told us—PS 1000, we are back to the dark ages here—that deployment or redeployment of public sector workers, in other words, moving them around, would be strictly voluntary. It would not be compulsory. Yet we have the minister saying today: "They will not be laid off if they are willing to be trained and relocated. No choice, just move".

The minister went on to refer to the work force adjustment policy, the fact that it has already expired and a new one will be developed in consultation with the unions. I have already spoken about the kind of consultation the public sector unions can expect from this government.

He says that our discussions with union representatives in the area of contracting out have made good progress, and he is hopeful that they will arrive at agreement. I challenge the minister to give an example of one government jurisdiction in this country where public sector contracting out has proven cheaper or more cost effective. In fact, yesterday the minister spoke of bringing the federal government more into line with the private sector.

There are many people on the government side of the House who know that the private sector would not put up with the inefficiencies in the area of contracting out. The reason it would not is because it is not efficient, it is not productive, and it is not good for morale.

The minister has yet to show any of us one area where privatization or contracting out has been efficient or effective.

• (1650)

In fact Mr. Kenneth Dye, former Auditor General, referred to contracting out as "the government's greatest boondoggle". There have been studies done in British Columbia that outline very clearly how expensive contracting out becomes for government. Yes, you get rid of a few workers on your payroll, but you are paying out this big contract and you have to develop a whole new bureaucracy to supervise and look after the contracts.

It is very interesting that nobody has been able to show us how contracting out is effective.

The minister said that he would like to see the unions go the extra mile with the government to avoid disruption of the Canadian public this summer. Some 55 of 80 bargaining units representing 165,000 workers have had their collective agreements expire, five of those bargaining units for over a year, and the minister says: "I would like to see the unions go the extra mile".

I would like to see this government go even a few centimetres toward finding a solution to the collective bargaining process.

The minister said that he has developed a great respect for the workers personally and for the system of collective bargaining. What the minister said today does not indicate great or little respect for the collective bargaining process. In fact, it is questionable whether this minister has any respect at all for the collective bargaining process.

The minister really said it all when he said in his closing remarks that "the government will introduce legislation if it must, but it would prefer to try to make the established institutions of staff relations work in these difficult times as well as they do in better circumstances".

He makes a farce of the free collective bargaining process and of arbitration by making that statement. If the government wants to run the government like the private sector, he had better start by treating the workers with respect. Instead of threatening back to work legislation and suspension of bargaining, he should introduce legislation providing for full free collective bargaining in all areas, as in the private sector. Then we would know that he is serious and then we could expect efficiency, enthusiasm and respect for this Parliament, this government and this employer from public sector workers.

The Acting Speaker (Mr. Paproski): I have received a request from the hon. member for Hull—Aylmer to reply to the minister. I regret that, pursuant to Standing Order 33(1), the hon. member is not eligible to respond to the ministerial statements.

[*Translation*]

Hon. Jean Lapierre (Shefford): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Shefford, on a point of order.

Mr. Lapierre: Mr. Speaker, I do not want to take up too much time, but I think that this is common practice. If you care to check precedents, even in the days when the Social Credit was represented in this House without the status of an official party, their members speak for a few minutes. This was done out of courtesy and goodwill. In fact it is up to you. The *Précis of Procedure* leaves it to the discretion of the Speaker. So, I appeal to your discretion and your generosity.

[*English*]

The Acting Speaker (Mr. Paproski): What I can do is ask for unanimous consent. Is there unanimous consent?

Some hon. members: No.

INTERPARLIAMENTARY DELEGATION

CANADA-UNITED STATES GROUP

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian section of the Canada-United States Interparliamentary Group which represented Canada at the 32nd meeting in Kananaskis, Alberta from May 23 to 27, 1991.

This was the 32nd annual meeting and the Canada-U.S. delegates divided into three specific committees: one dealt with trade and economics, one with international issues, and one with energy and the environment.

I want to thank all the delegates from all sides of the House and indeed the other House down the hall who participated. I would also like to send our sincere thanks to the staff who made this meeting very successful.

CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, on behalf of my colleague from Scarborough East, I am pleased, pursuant to Standing Order 34, to present to the House the fourth and fifth reports in both official languages of the Canadian NATO Parliamentary Association.

The Acting Speaker (Mr. Paproski): Does the hon. member have a report from the interparliamentary delegation? Let me hear your point of order.

[*Translation*]

Mr. Lapierre: On a point of order, Mr. Speaker. With all these reports from interparliamentary delegations being presented, I wonder what the Chair thinks of the fact that independant members of this House have no access to these delegations.

Could the Chair take this under advisement? We do not travel much, as you know. Still, there are things about this Parliament that we should know. I think we are being discriminated against, and they—

[*English*]

The Acting Speaker (Mr. Paproski): The hon. member can put his name down on any of these interparliamentary delegations and, if he is selected, he will be able to go on the trip.

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COMMITTEES OF THE HOUSE

HOUSE MANAGEMENT—FIFTH REPORT

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on House Management and, if the House gives its consent, I intend to move concurrence in the report later this day.

HEALTH AND WELFARE, SOCIAL AFFAIRS, SENIORS AND STATUS OF WOMEN—FIRST REPORT

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I have the honour to present, in both official languages, the first report of the reconstituted committee on Health and Welfare, Social Affairs, Seniors and Status of Women.

The committee appointed in the last session has been reconstituted by special order of the House for the sole purpose of completing its report entitled *The Health Care System in Canada and its Funding—No Easy Solutions* as a result of almost two years' work.

Ms. Barbara Greene (Don Valley North): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women, in both official languages.

The committee requests that the government table a comprehensive report within 90 days.

The human rights violations that the committee heard about in this report are similar to those that occur in a war. I truly think that the committee's feelings are that the government must address this and is very supportive of many of its recommendations.

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

STATUS OF WOMEN

CONCURRENCE IN FIRST REPORT OF SUBCOMMITTEE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, I rise on a point of order. I wonder if I might have unanimous consent of the House to move concurrence in the first report of the subcommittee on the status of women.

An hon. member: Agreed.

The Acting Speaker (Mr. Paproski): Does the hon. member have unanimous consent?

An hon. member: No.

* * *

BUSINESS OF THE HOUSE

GOVERNMENT BILLS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there are several bills that the government would like to introduce, including the Judges Act, the amendment to the Criminal Code (mental disorder), the energy efficiency bill, the foreign ships bill and the Extradition Act.

I would therefore move:

That, notwithstanding any standing orders and usual practices of this House, for all government bills that appear in the Notice Paper today the usual 48-hour notice period be waived and that the said bills be introduced and read a first time in this day during Routine Proceedings under the item "Introduction of Government Bills".

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

Some hon. members: No.

* * *

FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATIONS ACT

MEASURE TO ENACT

Hon. Gerry Weiner (for the Secretary of State for External Affairs): moved for leave to introduce Bill C-27, an act respecting the privileges and immunities of foreign missions and international organizations.

Motion agreed to, bill read the first time and ordered to be printed.

• (1700)

NATIONAL TRANSPORTATION ACT

MEASURE TO AMEND

Mr. Iain Angus (Thunder Bay—Atikokan) moved for leave to introduce Bill C-242, an act to amend the National Transportation Act (1987) and Criminal Code (overbooking). He said: Mr. Speaker, the purpose of this bill is to prevent airlines from over-selling their seats while at the same time preventing people from not paying for seats they do not use.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Iain Angus (Thunder Bay—Atikokan) moved for leave to introduce Bill C-243, an act to amend the Canada Elections Act.

He said: This bill includes a number of things with regard to the Canada Elections Act such as the financing of elections and the definition of expenses. It deals with the ability of riding associations to appeal the boundaries and it guarantees that senior citizens have voting booths in their buildings.

Motion agreed to, bill read the first time and ordered to be printed.

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CRIMINAL CODE

MEASURE TO AMEND

Mr. Iain Angus (Thunder Bay—Atikokan) moved for leave to introduce Bill C-244, an act to amend the Criminal Code (facsimile advertising).

He said: The purpose of this bill is to make it illegal to use fax machines to advertise material in an unsolicited way, called the junk fax bill.

Motion agreed to, bill read the first time and ordered to be printed.

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C–245, an act to amend the Criminal Code (protection of children).

He said: The purpose of this bill is to prevent parents and any person standing in the place of parents from using force toward a child as a means of correction. It would repeal section 43 of the Criminal Code. While we have abolished corporal punishment in most schools in Canada, too many children remain victims of violence and abuse within the family.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C–246, an act to amend the Canadian Human Rights Act (sexual orientation).

He said: The purpose of this bill is to implement the recommendations of the Canadian Human Rights Commission and the unanimous recommendation of the parliamentary committee on equality rights, to prohibit discrimination within federal jurisdiction on the basis of sexual orientation. At the present time, lesbians, bisexuals and gay men are not protected from discrimination in employment or access to services or accommodation. I would note that the government promised to amend the law in 1986. We have waited far too long for justice, not special rights but equal rights.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C–247, an act to amend the Criminal Code (hate propaganda).

He said: Mr. Speaker, section 318 of Criminal Code provides that everyone who advocates or promotes genocide is guilty of an indictable offence. This section defines genocide as the killing of members of any identifiable group with intent to destroy the group. This bill would expand the definition of identifiable group to include any section of the public distinguished by sex or sexual orientation.

Gay bashing and violence against women are widespread in Canada and this bill is a small step toward reducing this violence and harassment

Motion agreed to, bill read the first time and ordered to be printed.

* * *

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C–248, an act to amend the Food and Drugs Act (warning on alcoholic beverage containers).

He said: Mr. Speaker, the purpose of this bill is to warn pregnant women and other persons of certain dangers associated with the consumption of alcoholic beverages by ensuring that all containers with alcoholic beverages carry the following printed warning: "Consumption of alcoholic beverages impairs a person's ability to operate machinery or an automobile and may cause health problems or cause birth defects during pregnancy."

In conclusion, on this bill I want to pay tribute to the work of Burnaby resident, Joy Kilmore, who has put tremendous energy and dedication into this very important issue.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C–249, an act to amend the Income Tax Act and the Canada Pension Plan (definition of spouse).

He said: Mr. Speaker, the purpose of this bill is to amend the definition of the term spouse in the Income Tax Act and the Canada Pension Plan Act to ensure that the same financial and fiscal benefits relating to pensions are available to both heterosexual and homosexual couples.

The Government of Ontario has urged the federal government to implement this important change to reflect the reality that the relationship of lesbians and gay men are just as strong, just as loving and just as committed as other relationships in our society and our laws should reflect this fact.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA POST CORPORATION ACT

MEASURE TO AMEND

Mr. Bob Speller (Haldimand—Norfolk) moved for leave to introduce Bill C-250, an act to amend the Canada Post Corporation Act.

He said: Mr. Speaker, this bill seeks to repeal subsection 13.(5) of the Canada Post Corporation Act. This subsection is discriminatory to rural route carriers in that it prevents them from the enjoyment of rights by excluding them from the employee's status as provided for in the Canada Labour Code.

I therefore submit this bill in the hope that the House, in its wisdom and concern for justice, sees fit to repeal an unjust and unjustifiable provision of the Canada Post Corporation Act.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

DEPARTMENT OF VETERANS AFFAIRS ACT

MEASURE TO AMEND

Mr. Les Benjamin (Regina—Lumsden) moved for leave to introduce Bill C-251, an act to amend the Department of Veterans Affairs Act.

He said: Mr. Speaker, after 45 years of procrastination, foot dragging and outright discrimination, it is time for this Parliament to act on making merchant seamen veterans of the Second World War and every war since. I know the minister and the committee are dealing with it, but the foot-dragging is still going on.

• (1710)

We have 18 provisions for the welfare of veterans of the three armed forces; merchant seamen qualify for four. They do not qualify for seven of them at all. If you are a merchant seaman and want to start farming under the Veterans Land Act, the only way you can get a loan under the Veterans Land Act is if you are disabled. Who the hell is going to farm if they are disabled?

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADIAN POTATO MARKETING ACT

MEASURE TO ENACT

Mr. Vic Althouse (Mackenzie) moved for leave to introduce Bill C-252, an act respecting the orderly marketing of potatoes.

He said: Mr. Speaker, since 1973 when the Horticulture Council of Canada passed its first resolution to introduce a national marketing agency for potatoes, this issue has been bounced around. Numerous times various provinces have wished to go forward but there was no national legislation enabling them to do so. This will provide an umbrella for those provinces to set themselves up in a national agency.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mr. Vic Althouse (Mackenzie) moved for leave to introduce Bill C-253, an act to amend the Food and Drug Act (food irradiation).

He said: The purpose of this bill is to prohibit food irradiation, the importation of irradiated food and the exporting of equipment or materials likely to be used for food irradiation.

The bill would also provide for the Minister of National Health and Welfare to undertake studies and research on the effect of food irradiation on human health and the environment, and to present a report to Parliament which could then be referred to a committee of the House of Commons or a joint committee of the two Houses, after which the Governor in Council could decide whether or not to continue the irradiation of food.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INTERPROVINCIAL LIVESTOCK TRADE ACT

MEASURE TO ENACT

Mr. Vic Althouse (Mackenzie) moved for leave to introduce Bill C-254, an act respecting interprovincial livestock trade.

He said: Mr. Speaker, this bill provides that any interprovincial transaction where livestock are moved from one province and slaughtered in another, that the company operating the slaughterhouse and buying the livestock must be deemed to hold the funds for that transaction in trust to avoid a situation which occurs occasionally, where a packing house goes bankrupt and the producer is left with a year's work and no money.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce C-255, an act to amend the Canada Elections Act.

He said: The purpose of this bill is to lower the voting age in Canada to age 16 so that people 16 and older will be able to participate in federal elections.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

NATIONAL SPORT ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-256, an act to recognize hockey as a national sport.

He said: Mr. Speaker, there is an opinion held by some that lacrosse is actually our national sport—

Some hon. members: Hear, hear.

Mr. Riis: Though all of us enjoy and admire the sport, the point is that lacrosse was never officially declared Canada's national sport, and considering the popularity of hockey across Canada, I am introducing this bill to declare hockey as our national sport.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

MAGNA CARTA DAY ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-257, an act respecting Magna Carta Day.

He said: Mr. Speaker, I think the title explains it adequately.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-258, an act to amend the Criminal Code (cattle rustling and range cattle).

He said: Mr. Speaker, as most members of the House of Commons know, cattle rustling is a serious situation in much of Canada. We are suggesting with this legislation that we increase the penalties for cattle rustling. We are all aware of what the penalty was in the old days, but we do not permit that in Canada any longer so we want to increase the penalties to encourage people not to rustle cattle.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Attewell: Point of order, Mr. Speaker. I have a number of very important petitions of an urgent nature which I hope we get to soon. I do not know why this backlog of private members' bills occurred but I think you might find, if you ask the members, that there might be unanimous consent to proceed to the next step.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: No.

Routine Proceedings

AUDITOR GENERAL ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-259, an act to amend the Auditor General Act (request for an inquiry).

He said: Mr. Speaker, this private member's bill is to empower standing committees of the House of Commons to require the Auditor General of Canada to inquire into and report upon any matter relating to the financial affairs or public property of Canada. The report is to be submitted to the Speaker of the House of Commons and laid before the House forthwith by the Speaker.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

PARLIAMENT OF CANADA ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C-260, an act to amend the Parliament of Canada Act (corporate and political office prohibited).

He said: Mr. Speaker, the purpose of this bill is to prohibit senators from holding directorships in any companies which have dealings with the Government of Canada and to prevent them from functioning as professional organizers and fundraisers for any political party while being paid to serve in the Senate.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Riis: Mr. Speaker, we all know that the other day the First Nations of Canada asked that June 21 be set aside and recognized as Aboriginal Solidarity Day.

• (1720)

We are rising later today. I was originally going to give notice of this and present it on Friday. I wonder if I could ask—considering that it is aboriginal people and they requested this—for consent to present this—

The Acting Speaker (Mr. Paproski): Does the hon. member have unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): The Bloc said "no".

Mr. Lapierre: Mr. Speaker, on a point of order, I would like the Speaker to tell us if he has recognized the "Bloc" as such?

The Acting Speaker (Mr. Paproski): What is there to recognize? I just heard a "no" from your part of the Chamber. There is nothing to recognize.

Mr. Riis: Mr. Speaker, on a point of order, I think there is some confusion among my hon. colleagues.

Is it my understanding that representatives of the Bloc Québécois have opposed the notion of setting aside June 21 as Aboriginal Solidarity Day?

The Acting Speaker (Mr. Paproski): I will ask for unanimous consent again. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The hon. member for Mégantic—Compton—Stanstead, on a point of order.

Mr. Gérin: Mr. Speaker, you have just singled me out as a member who refused consent. I did not refuse consent for the reasons given by the hon. member who sponsored the bill, but because of mistakes—

[*English*]

The Acting Speaker (Mr. Paproski): We are really not interested in that. All we are interested in is if it is a "yes" or "no" for unanimous consent. The rest is debate.

* * *

EUTHANASIA AND CESSATION OF TREATMENT ACT

MEASURE TO ENACT

Mr. Chris Axworthy (Saskatoon—Clark's Crossing) moved for leave to introduce Bill C-261, an act to legalize the administration of euthanasia under certain conditions to persons who request it and who are suffering from an irremediable condition and respecting the withholding and cessation of treatment, and to amend the Criminal Code.

He said: Mr. Speaker, the purpose of the bill is to make some necessary changes to the Criminal Code to allow individuals to refuse the commencement of life extending medical care, to request the discontinuation of life extending medical care and to consent to and request the administration of palliative care which may in fact shorten their life.

In another context, the purpose is to allow individuals then to die with dignity without subjecting their physicians to legal repercussions.

Motion agreed to, bill read the first time and order to be printed.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Ronald J. Duhamel (St. Boniface) moved for leave to introduce Bill C-262, an act to amend the Canada Elections Act (appointed proxy voters, non-listed electors and advanced polls).

He said: Mr. Speaker, this bill is a very simple one. It is to correct what was not permitted during the last election, that is, to permit all Canadians to vote wherever they happen to be on election day. That is the nature of the bill, and I would hope that it could in fact proceed.

Motion agreed to, bill read the first time and ordered to be printed.

Ms. Copps: Mr. Speaker, I too would seek the leave of the House to introduce a bill for which notice has been given. Unfortunately it is not the appropriate 48-hour notice, given the early decision of the House to rise in an unexpected fashion tonight.

The bill has, in fact, captured the attention of an all-party committee. It is an act to amend the Food and Drugs Act, to encourage the labelling of food to prevent unnecessary deaths in the sale of food.

It was supported in a non-partisan fashion in the last Parliament. It was a measure designed to save lives and I hope that it will not be blocked this time, because whatever one's political party, I think as a Canadian, one should be interested in saving lives.

The Acting Speaker (Mr. Paproski): The hon. member requires unanimous consent. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. René Soetens (Ontario) moved for leave to introduce Bill C-263, an act to amend the Income Tax Act (personal and living expenses).

He said: Mr. Speaker, there are many Canadians who are concerned about the fairness of the income tax system. Yet there are many Canadians who receive tax free income on the basis of expense allowances. Those Canadians include many municipal politicians, school board members, commissioners and other people elected to those bodies, public school boards, separate school board trustees, municipal councillors, regional councillors, members of provincial parliaments, members of Parliament and senators.

Some receive allowances 50 per cent greater than their income, income tax free. Members of Parliament and senators receive another 33 per cent.

Basically, the intent of this bill is to make all those allowances taxable.

Motion agreed to, bill read the first time and order to be printed.

* * *

[*Translation*]

OFFICIAL LANGUAGES

APPOINTMENT OF COMMISSIONER OF OFFICIAL LANGUAGES

Mr. Loiselle (for the Prime Minister) moved:

That, in accordance with subsection 49(1) of An Act respecting the status and use of the Official Languages of Canada, Revised statutes of Canada, Chapter 31 (4th Supplement), this House approves the appointment of Dr. Victor Goldbloom, as commissioner of Official Languages for Canada;

—He said: Mr. Speaker, first of all, speaking on behalf of the government, I would like to thank the former Commissioner of Official Languages, Mr. D'Iberville Fortier, for his dedication to the task at hand and for exceptional services rendered to the government in the course of a brilliant career that spanned four decades.

[*English*]

Mr. Fortier first joined the public service in 1952 and served in Canada in diplomatic posts world-wide until his appointment as Commissioner of Official Languages nearly seven years ago. We extend our best wishes for the years to come.

It is a great pleasure for me to address the appointment of Dr. Victor Goldbloom as the next Commissioner of Official Languages. Knowing Dr. Goldbloom as I do, it came as no surprise to me that when the Prime Minister spoke with opposition leaders, both fully endorsed and welcomed the proposal and then approved it.

[*Translation*]

In fact, Dr. Goldbloom's background and his expertise in so many areas make him eminently suited to taking on the duties of Commissioner. He chaired the language rights committee of the Court Challenges Program. He is a native of Montreal and a graduate of McGill University. He practised as pediatrician and taught pediatrics for many years before entering public life.

He became chairman of the medical economics committee and was, successively, president of the *Association des pédiatres* de la *Province de Québec*, the *Association médicale du Québec* and the Canadian Medical Association. In this latter capacity, he travelled across Canada, becoming acquainted with the health care systems and social problems of the provinces and territories.

In 1966, he was elected in the new riding of D'Arcy McGee as its first representative. He represented the riding in the National Assembly for nearly 14 years. In 1970 he was appointed minister and became the first member of the Jewish community to sit in the Quebec cabinet. Subsequently, he became Quebec's first Minister of the Environment.

In February 1973, he took over the Municipal Affairs portfolio, and in 1975, he also became the minister responsible for the Olympic Games facilities. Re-elected for a fourth term on November 15, 1976, he resigned his seat in the fall of 1979 to become president of the Canadian Council of Christians and Jews. From 1982 to 1990, he was president of the International Council of Christians and Jews.

• (1730)

[*English*]

Dr. Goldbloom has been the executive director of the *Folds de la recherche en santé du Québec* since January 1990. The new commissioner is active in community life and participates in numerous voluntary associations: the Canadian Council for Native Business, the Jean Lesage Foundation, the Jewish Public Establishment Co-ordinating Committee, the Canadian Medical Association Subcommittee on Environmental Occupational Health, and chairs a task force for the Canadian Paediatric Society on Environmental Aspects of Day Care. He is a member of the board of the Quebec Drama Federation. He is an honorary patron of the Quebec Bar Association Foundation. Many of his accomplishments have been recognized. He is an honorary Doctor of Law at the University of Toronto, an Officer of the Order of Canada. He has received the Government of Canada Award for Race Relations and he is an officer of *l'Ordre nationale d Québec*.

In 1988 the government adopted a new Official Languages Act, which built on and improved the previous legislation. Dr. Goldbloom will have the critical responsibility of overseeing the realization of these provisions.

The role of the commissioner is an important one. He is an ombudsman, a servant of Parliament responsible for ensuring the recognition of both official languages and the compliance with the Official Languages Act by federal institution.

[*Translation*]

Mr. Goldbloom comes to this position at a critical time in our country's history. Our new Commissioner of Official Languages will undoubtedly want to take an active part in defining our country's identity, as did his predecessors.

Mr. Speaker, we—the government and I—are confident that Dr. Goldbloom will be successful on this important mission and we wish him the best of luck.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, on behalf of my party, I am pleased to support the appointment of Dr. Victor Goldbloom as the Official Languages Commissioner for Canada. Dr. Goldbloom is the first anglophone Quebecer to fill this position. He is a bilingual Montrealer and a graduate of McGill University. All of these things we have in common with him. I

might also say that for 14 years he represented the provincial constituency of D'Arcy McGee, which shares territory with my federal constituency of Notre-Dame-de-Grâce.

The hon. minister pointed out many of Dr. Goldbloom's accomplishments, including the fact that he was president of both the Quebec Medical Association and the Canadian Medical Association. As minister, he was Minister of Municipal Affairs and the first Minister for the Environment in Quebec. Recently, he has been the president of the Canadian Council of Christians and Jews. Also he was president of the committee which decided whether or not certain individuals and groups should get funding to contest violations of their official language rights before the courts.

Mr. Goldbloom himself is from a minority in Canada. Consequently, I believe he will be extremely sensitive to the position of the linguistic minority communities in this country.

That having been said and without any criticism of the individual who is appointed—and we support that appointment—I must say that the process by which the government went about this appointment was deplorable and once again shows the great incompetency of the government.

The government knew more than one year ago that Mr. Fortier, the previous commissioner, was to resign on June 14, yet even last week it had not started consultations with the opposition parties on an appointment.

I want to point out that the Commissioner for Official Languages is an officer of Parliament. He is not an officer of the government. He reports to Parliament. He does not report to the government. Therefore, he requires the support of all political parties in this House. Consequently, it is incumbent on the government to consult closely, in advance, with the opposition parties. It did not do that. Mr. Fortier retired from his position last week and consultations only started this week, the week in which Parliament is to adjourn.

That having been said, I hope this statement on the record will assure that the next time in seven years' time—and this will not be forgotten—this will be done in a more proper manner and that the consultations will be done as I think they were intended.

At the retirement party reception for Mr. Fortier, I congratulated Mr. Fortier and especially congratulated him for his close contact and communication with members of the Standing Committee on Official Languages. He was always in touch with us and he was always available. I also pointed out that he always acted with great balance and fairness and also with courage. If an ombudsman or a Commissioner for Official Languages is to be successful, he must be fair to all language communities in Canada and when he sees a violation of their language rights, he speaks out with courage and with forthrightness. That is what Mr. Fortier did and we are sure that Mr. Goldbloom will do the same.

Among the outstanding issues that Dr. Goldbloom will have to deal with, of course, is the fact that despite we passed the Official Languages Act in 1988, we still have not got in force the regulations that go with that Official Languages Act.

The government has presented to us draft regulations for service to the public. Those have been examined by the standing committee and referred back to the minister. One hopes that they will soon be in operation. But the government still has not provided us with the draft regulations relating to the language of work in the federal government or to equitable participation by English and French speaking Canadians in the Public Service of Canada. We are still waiting for that.

The former commissioner, Mr. Fortier, spoke out strongly demanding those regulations time and again.

The new commissioner will also have to deal with the attempt by certain groups in Canada to dilute and to step backward with respect to our policy on official languages. There are even rumours today that the Spicer commission next week will recommend a weakening of the commitment to official languages or a stepping back with respect to that policy.

I must remind the House, Mr. Speaker, through you, that this attempt—and this was even discussed at a behind the doors conference of the government—to move to a sort of Swiss model in Canada is totally out of context and ridiculous for Canada where we have a million francophones living outside of Quebec, more francophones living outside of Quebec than there were francophones altogether in 1867 at the time of Confederation, and 700,000 to 800,000 anglophones living in Quebec.

So that model that is being suggested that Quebec would live entirely in French or work in French and the rest of Canada entirely in English is not to be accepted. One would hope that our new commissioner will deal as strongly with that as well.

The final issue is the attempt by the government by privatizing Crown corporations to the private sector and removing them from the ambit of the Official Languages Act. We were dealing with a bill that was before this House recently, making the point that in privatizing the airports in Canada they should not be exempt from all the provisions of the Official Languages Act. When Air Canada was privatized, it was privatized with all the obligations of the Official Languages Act imposed on it. We again have to be vigilant and the new commissioner will have to be vigilant to see that the government does not try to get away with those sorts of things.

Those are the difficult issues that the commissioner will have to deal with. We congratulate him on his appointment. We are here to support him. We are here to work with him and we know he will do a good job.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The honourable member for Shefford, on a point of order.

Mr. Lapierre: Mr. Speaker, I rise on a point of order because I was reading the Official Languages Act. As you know, the Act provides that the Commissioner shall be appointed after approval by resolution of the Senate and the House of Commons. The procedure being followed in this instance is totally unusual and everything is prearranged. The vote of the honourable members was taken for granted. Mr. Speaker, this is not in accordance with the legislation, nor with its spirit. Look at this resolution which says: That, after those speeches, the motion be deemed to have been put and carried.

Mr. Speaker, I think that everything was prearranged and that is not at all in accordance with the spirit of the legislation, nor with the tradition. This is a point of order and I invite you to read again the provisions of the Act. You should have tabled a resolution in proper form. I challenge the legality of what we are doing right now.

• (1740)

[*English*]

The Acting Speaker (Mr. Paproski): The motion was adopted yesterday that there were going to be four speeches and pursuant to the order made yesterday, the question and the motion now before the House will be deemed put and the motion to have been adopted.

That was ruled by the House yesterday and that is the way it is going to be.

[*Translation*]

Mr. Gérin: Mr. Speaker, that appointment was made in secret, without consulting the Members of the Bloc-Quebecois.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I am pleased today to congratulate the Prime Minister for having been able to convince Victor Goldbloom, an excellent choice, to accept the position of Commissioner of Official Languages. I would also like to congratulate Mr. Goldbloom, and to express my sympathy, to him, for he is taking on a demanding and difficult task. It is a difficult task because the expectations are very high. Many Canadians ask themselves questions about bilingualism. Is it a program that costs too much money? How much does it cost? Why all that money? Does bilingualism mean that a linguistic group has a better chance of obtaining a job in the federal public service? Those of us in this House that support bilingualism and the Official Languages Act know that there are good answers to those questions.

It is the job of the Commissioner of Official Languages to go out and talk with Canadians, to explain to them the importance of bilingualism, and to answer their questions about that very important act. However, Mr. Speaker, progress in the federal public service has been slow and inconsistent as regards bilingualism.

For instance, I worked for months with a group of francophone members of the RCMP who did not get the bilingualism bonus, even after having won a very clear decision by the Federal Court. Those people are entitled to that bonus.

The Commissioner of Official Languages is the watchdog of the federal public service. His mandate is to ensure that the Act is implemented. I hope that Mr. Goldbloom can bark and has sharp teeth, because he will need those requirements.

The tensions between the different linguistic groups in that country are very strong and the francophone minorities are still fighting for their rights. The role of the Commissioner is essential to help this country find a common ground concerning those issues. Mr. Goldbloom, an anglophone from Quebec, was a minister in the Quebec provincial government during a turbulent period. Therefore, he is well prepared to help find a solution to problems that he knows very well.

As for me, I would like to give three pieces of advice to our new Commissioner: First, to ensure the implementation of the Official Languages Act while always respecting the jurisdiction of the province of Quebec; secondly, to continue to build bridges between our two linguistic groups, by showing great patience and humility; and, thirdly, to oppose the efforts of this government which is trying to back off as regards the implementation of this essential piece of legislation. In other words: Don't give up!

I wish the best of luck to Mr. Goldbloom in his job as Commissioner of Official Languages, and I offer him all the assistance and cooperation that my party and I can provide, so that he can succeed in bridging the numerous gaps that still exists between our two linguistic groups.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, it is my pleasure to welcome the new Commissioner for Official Languages, Mr. Victor Goldbloom.

Under the Official Languages Act, the duties and functions of the commissioner are defined as follows:

> It is the duty of the Commissioner to take all actions and measures within the authority of the Commissioner with a view to ensuring recognition of the status of each of the official languages and compliance with the spirit and intent of this Act in the administration of the affairs of federal institutions, including any of their activities relating to the advancement of English and French in Canadian society.

Mr. Speaker, Mr. Goldbloom's predecessor carried out its duties with efficiency, vigour and a lot of courage. Indeed, always mindful of the mission this House gave him, Mr. D'Iberville Fortier had the courage to enforce the Official Languages Act, for which criticisms were sometimes levelled at him. He was able to honour his responsibilities and also the confidence placed in him by the linguistic communities. He showed the way for Mr. Goldbloom who now takes over.

Not only will Dr Goldbloom fill the shoes few people would fight over, but he will also have to sell the linguistic duality. Our new commissioner will have to say no to all those who would want to trade the official languages for the so-called sake of national unity. As the watchdog for the rights of linguistic minorities, that is of French-speaking Canadians outside Quebec as well as English-speaking Canadians inside Quebec, as the advocate of linguistic equality in our country, and on behalf of the minority he has the duty to protect, he will have to say "no".

Mr. Speaker, our new commissioner will have to continue to uphold these principles. He will have to explain to all Canadians the difference between institutional bilingualism and individual bilingualism. Several individuals who are against the Official Languages Act think this legislation aims at making Canada a bilingual country. Several people think that, under this legislation, all Canadians must become bilingual. And yet, this Act only ensures that all Canadians, whether they speak English or French, can be served in the official language of their choice in federal institutions. Why would anyone object to an English-speaking Quebecer being served in English by his or her government or a French-speaking Ontarian being served in French, when dealing for example with old age pensions or immigration or defence? Why would anyone be against an unemployed anglophone from Sherbrooke or an unemployed francophone from Vanier being given services or directions in his or her language?

The Canadian Charter of Rights and Freedoms guarantees language minorities the right to education or trial in their own language. How can we logically transfer to the provinces the responsibility of enforcing those rights, when the majority in these provinces is not even abiding by them, Mr. Speaker.

The message from the *Fédération des communautés francophones et acadiennes du Canada*, last weekend, and the one from Alliance Quebec are very clear. Minorities do not intend to relinquish their rights and are planning to be very active during the constitutional debate. Minorities do not want to be left out and are planning to make themselves heard loud and clear. The new Commissioner will have to do the same.

Racists of all stripes are spreading lies and inflating the cost of bilingualism, hoping to fool the innocents. The present attacks come mostly from these defeatist groups which have never accepted the Canadian reality.

When we talk about official languages, we are talking of the co-existence of these two languages in Canada, and sometimes in some provinces or some parts of the country. We must stop blaming all the problems of Confederation on this co-existence. We must stop making it the scapegoat for all our problems. As some would say in my riding, Mr. Speaker, we must stop using bilingualism as the national ketchup to put on all the problems this country has.

Finally, Mr. Speaker, we must stop talking about the cost of language duality and start talking about its benefits.

Whether it is bilingualism, multiculturalism, native programs, fisheries, defence, the CBC, transportation or anything else, we must not see only the cost, especially if it is inflated, we must also judge the value. The only way to maintain Canadian unity is to keep the values which are the essence of this country.

The new Commissioner, Dr. Goldbloom, must face quite a challenge, but a challenge vital to the future of our country.

I wish him all the best in the fullfilling of his mandate. We would like to assure him of the same support we gave to his predecessors, Commissioners Spicer, Yalden and Fortier.

• (1750)

[*English*]

The Acting Speaker (Mr. Paproski): Inadvertently I missed Private Members' Bills because of some of the confusion around here.

BANK ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-264, an act to amend the Bank Act (fair banking practices).

He said: The purpose of this bill is to provide for the availability of basic bank services at no cost to consumers, the prohibition of certain charges as well as the disclosure and notification requirements governing service charges. The amendments would also suspend all bank service charges for a period of one year.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

LIMITATION OF INTEREST RATES ACT

MEASURE TO ENACT

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-265, an act to provide for the limitation of interest rates and fees in relation to credit card accounts.

He said: This bill deals with the problem we have when interest rates go up, when the bank rate goes up, then credit card and retail card interest rates go up very, very quickly. However, when the bank interest rate comes down, interest rates come down very, very slowly. This bill would provide a floating cap on retail credit card interest rates and on bank credit card interest rates. They will go up and down in relation to the bank rate.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-266, an act to amend the Corporations and Labour Unions Returns Act (salaries).

He said: This bill would ensure that any corporation to which the Corporation and Labour Unions Returns Act applies be required to file with the Chief Statistician of Canada a return containing information on the salaries paid to its officers.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

BANKRUPTCY ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-267, an act to amend the Bankruptcy Act (priority of claims).

He said: The purpose of this bill is to change the priorities and place above the secured creditors, employees whose salaries, vacation pay, pension credits and all other benefits have been lost as a result of a bankruptcy. They would be placed ahead of any financial institution which is a secured creditor.

Motion agreed to, bill read the first time and ordered to be printed.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, given that we have returned to Private Members' Bills, I would seek leave to introduce a bill to amend the Food and Drugs Act. It is the bill which I explained earlier would have been introduced if the proper 48-hours' notice had been given. There has been a 24-hour notice given. The bill seeks to reduce the number of deaths caused by the improper labelling of food and drugs. Since we have returned to Private Members' Introduction of Bills, I thought that with the goodwill of the House and the wish of everyone to save lives, that they might agree to this particular—

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some hon. members: No.

Mr. Milliken: Mr. Speaker, there is a motion standing in my name that has never been put to the House. I wish to withdraw the motion in light of the motion adopted that effectively does what this motion was intended to do. Given the subject matter, it has been referred back to the committee. It is the one for concurrence in the privileges and elections committee report, so I withdraw the motion.

The Acting Speaker (Mr. Paproski): There was no necessity for it, but I have noted the withdrawal.

Mr. Comuzzi: Mr. Speaker, I am asking for the guidance of the Chair so that the Standing Committee on Transport can be immediately convened for the express purpose of reviewing the sale by the Canadian National Railway of Route Canada Incorporated. After an extensive investigation, the principals of Route Canada have just been charged by the RCMP for fraud in excess of $4.2 million.

You will recall, Mr. Speaker, that there were many questions put in this House about this sale and particularly about the—

The Acting Speaker (Mr. Paproski): I regret that is debate. Are there any further motions?

* * *

[*Translation*]

PETITIONS

LEBANON

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, I have the privilege to table a petition signed by some Lebanese religious leaders and some groups who are asking the government of Canada to reopen its embassy in Beirut as soon as possible.

These petitioners, Mr. Speaker, have live through a fifteen year war and foreign occupations, and they ask the international community, countries like Canada, to intervene because they have a commitment to Lebanon which is a democratic country, and to ensure that the United Nations resolutions Nos 425 and 520 are complied with.

For too long Lebanese people living in Canada have been asking their government to make representation to the United Nations to merely give the Lebanese people the opportunity to live in peace.

[*English*]

GOODS AND SERVICES TAX

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a petition signed by a large number of aboriginal citizens of the First Nations of Canada. This petition was collected by my colleague, the hon. member for Western Arctic.

The petitioners state that the goods and services tax has been unfairly imposed on them because they are immune from such taxation by virtue of their aboriginal and treaty rights. These rights have, in part, been

affirmed by the Royal Proclamation of 1763, the Constitution Act of 1982 and the recent decision of the Supreme Court of Canada, the Sparrow case.

The petitioners call upon Parliament to fulfil its responsibility to the citizens of the First Nations in Canada by taking immediate steps to rectify the deficiencies of the policy guidelines, including changes which will protect the taxation immunity of First Nation citizens both on or off reserve lands, including those citizens who do not as yet have recognized reserved lands.

FOREIGN POLICY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour, duty and privilege, pursuant to Standing Order 36, to present to this House a petition certified correct by the Clerk of Petitions, signed by residents in my riding of Hamilton West, Stoney Creek and Winona. They clearly state that an absolute majority of voters in Croatia, Slovenija, Boznya, Herzigovina and Macedonia adopted for democracy, independence and sovereignty of their respective republics.

They humbly pray and call upon Parliament to adopt a policy that would encourage and help the republics that opted for the democratic process.

FOOD ADDITIVES

Mr. Ross Reid (St. John's East): Mr. Speaker, it is my privilege to present a petition, pursuant to Standing Order 36, on behalf of a number of Newfoundlanders and Labradorians primarily from my constituency in St. John's East and a number of Nova Scotians.

The petitioners request that we enact legislation to amend the food and drug regulations to require manufacturers to list specific food ingredients and additives and also that restaurants and food retailers make the same information available, particularly in response to the citizens who suffer from allergies, a great concern of many people.

• (1800)

PARENTAL LEAVE

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I am pleased to present a petition certified correct under Standing Order 36 from about 50 constituents of my area.

The petitioners believe that Bill C–21 has discriminated against adoptive parents and have asked that the government change Bill C–21 to allow both biological and adoptive parents to have equal treatment by allowing both to be home with their children.

GOODS AND SERVICES TAX

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I have two petitions to present.

One is signed in favour of the First Nations of Canada who are immune from such taxation as the GST by virtue of their aboriginal and treaty rights.

The petitioners want Parliament to recognize its responsibility to the citizens of the First Nations in Canada by taking immediate steps to rectify the deficiencies of the policy guidelines, including changes which will protect the taxation immunity of First Nations citizens both on or off reserve lands, including those citizens who do not as yet have recognized reserve lands.

Mr. Speaker, my second petition is from Canadian citizens who object to the GST being applied to books, magazines and all kinds of printed matter.

The petitioners feel that this is a first in Canada. They totally object to it.

FOREIGN POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to join my voice with those of other members, including the member for Hamilton West, in presenting a petition wherein the undersigned call upon the government to recognize the right to self–government and the absolute right to self–determination of the majority of voters in Croatia, Slovenija, Boznia, Hetsnogovia and Macedonia.

The representatives of the Croatian Multi–party and Inter–organizational Committee for Hamilton are convinced and petition Parliament to recognize that only by support for freedom and democracy and by strong opposition to martial law will civil war be prevented in that particular part of the world.

That is the wish of all of us, to support the right for self–determination and to abhor the use of force to meet a certain political end.

That is the petition that I am very happy to present on behalf of hundreds of residents of the Hamilton area.

WAGE CONTROLS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a second petition which is calling upon the Government of Canada to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

The petition is signed by dozens of Canadians from Cambridge Bay through to Kanata. It recognizes the fact that the cost of living in northern Canada is one-third higher than it is in southern Canada. This imposition of wage controls has an even worse effect on northern Canadians. That should be recognized.

The petition calls upon the Canadian government to correct these grievances and injustices.

YOUNG OFFENDERS ACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my third petition is signed by several dozen residents in the Hamilton-Stoney Creek area and calls for revisions of the Young Offenders Act to protect Canadians who are seeking a better justice system with justice not only for the offender but also for the victim.

BALTIC STATES

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to present a petition signed by many hundreds of people in Toronto concerning the situation in Lithuania.

The undersigned asked the Parliament of Canada to immediately recognize the legitimate democratically elected government of the Republic of Lithuania and establish diplomatic relations with it.

The petitioners demand that the Soviet Union not annihilate the legitimate government of Lithuania. They demand that the Soviet Union withdraw all its military forces from Estonia, Latvia and Lithuania. They demand that negotiations between the Soviet Union and Lithuania begin and ensure that international mediation is provided during negotiations. They demand that unconditional international aid to the Soviet Union in the form of credits and feed grains be conditional upon the withdrawal of Soviet troops from the Baltic states, and resolution of the Baltic crisis.

PARENTAL LEAVE

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present a petition concerning some of the problems and difficulties of adoptive parents. I asked a question in the House yesterday on this topic.

The petition asks the government to review Bill C-21 with regard to adoptive parental leave, considering the literature that deals with the adoptive process, the bonding process, needs and rights of adoptive parents, proper terminology in adoption, and discussion with adoptive families and so on. It is signed by a number of residents of Markham, Unionville, Thornhill and other areas.

BALTIC STATES

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): My second petition, as secretary-treasurer of the Canadian parliamentary group for the Baltic people, is similar to the one the hon. member for Winnipeg-Strathcona put forward just a few minutes ago, so I will not read it out in detail. However, it basically supports the independence and freedoms that the Baltic people are seeking.

FOOD AND DRUGS ACT

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): My third petition, signed by literally hundreds of names, asks the government to enact legislation amending food and drug regulations in order to require manufacturers to list specific food ingredients and additives used in the prepackaged foods in place of the general classifications now permitted.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have two petitions. One is from Canadians, particularly those from Alberta and British Columbia, and calls for an increased priority for education to meet objectives such as globalization, changes in the economics of the country and Canada's social challenges. It points out that there is tougher competition out there and we need to increase our support for education. It points out that there has been a cut of almost $500 million to education this year in transfers to provinces. It deplores the 3 per cent tax and points out that education is for everyone, not just the wealthy.

TAXATION

Mr. Ronald J. Duhamel (St. Boniface): My second petition is from some residents of Saskatchewan and Alberta, pointing out the government's 33 tax increases and indicating that they deplore the interference with collective bargaining. The petition also says that the government is using civil servants to attempt to enhance its political message, its political popularity. It calls upon this House to consider the petitioners' grievance.

SELF-EXILE APPLICATIONS

Mr. John Reimer (Kitchener): Mr. Speaker, I have two petitions, pursuant to Standing Order 36. The first petition is signed by 132 residents of the Kitchener–Waterloo region. It calls upon the government to speed up the processing of all outstanding self-exiled applications of thousands of east Europeans who came to Canada under the self-exiled program.

The second petition is signed by thousands of people across Canada. My colleague from Markham—Whitchurch—Stouffville mentioned the intent of this petition, so I will not repeat it.

TAXATION

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I rise to present two petitions today, the first one from approximately 1,000 residents of the Moose Jaw—Lake Centre riding calling upon this government to cease its insane economic policies and particularly to withdraw the goods and services tax and introduce a truly progressive tax reform that is fair to all Canadians.

CANADIAN WHEAT BOARD

Mr. Rod Laporte (Moose Jaw—Lake Centre): My second petition is from approximately 100 farmers from Saskatchewan who are very concerned about the future of the Canadian Wheat Board. They call upon this government to place oats back under the jurisdiction of the Canadian Wheat Board and give oats and barley the same protection that wheat now enjoys under the Canadian Wheat Board.

CANADA POST

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it is my privilege to present this petition pursuant to Standing Order 36, duly certified as to being correct in form by the Clerk of Petitions.

The petition is signed by a good number of residents of one community in my constituency, about 200 residents of Edam, Saskatchewan. They note that Canada Post has proposed to close the post office in Edam, Saskatchewan, along with other post offices in Canada. They note that rural post offices like the one in Edam, Saskatchewan, are serving their communities well and should be maintained. Therefore, the petitioners—and I agree with them—call on Parliament to support the maintenance of the rural postal services from existing full service post offices, like the one in their community of Edam, Saskatchewan, and they call on Parliament to reject any proposal which would result in the closing of the existing post office.

• (1810)

REPUBLIC OF LITHUANIA

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am pleased to rise and present a petition today that reminds Parliament that Canada has never recognized the forcible annexation of Lithuania, Latvia, and Estonia into the Soviet Union and responding to the Government of Lithuania's request for immediate support of all democratic countries to protect independence. The several hundred signatories, from Fort McMurray to Toronto, ask the Canadian government to immediately recognize the legitimate, democratically elected government of the Republic of Lithuania and establish democratic relations with it and take several other measures to indicate Canada's support for the elected democratic government of Lithuania and for its right to self-determination.

PRINCE EDWARD ISLAND

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise today to table a petition that has been signed by a number of residents of the province of Prince Edward Island. These residents are concerned that the federal government has chosen to proceed with a bridge connecting Prince Edward Island to the mainland when the residents of Prince Edward Island have had no opportunity to express their opinions in this matter. The undersigned humbly pray and call upon Parliament to support the NDP's request to halt all business relating to this issue until such time as a direct vote of the public is held in the form of a plebiscite to specifically determine whether the construction of a bridge should proceed across the Northumberland Strait. These people suggest that Canada should let the island decide.

CANADIAN BROADCASTING CORPORATION

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I have a petition signed by a number of people in my riding wherein the petitioners humbly sheweth that the tools for building a better Canada have been abandoned, that this government has cut CBC funding by $140 million over the next four years, resulting in 1,200 job losses and the closing of 10 regional stations in Calgary, Corner Brook, Goose Bay, Sydney, Toronto, Saskatoon, Windsor, as well as other areas. The petitioners call upon Parliament to re-examine the government's priorities and to consider restoring funding to the CBC so that it can fulfil its mandate and its role as the heartbeat of Canada.

Mr. MacWilliam: Point of order, Mr. Speaker, the member for St. Albert and I have waited patiently to put in petitions for the members of our communities. It would only take a short time and I am sure the—

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the hon. members?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Paproski): I regret there is not unanimous consent.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 5, 15, 30, 39, and 43.

[*Text*]

SENDING OF GOVERNMENT REPRESENTATIVES TO EUROPE TO DEAL WITH THE TREATMENT OF ITS ABORIGINAL PEOPLES BY CANADA

Question No. 5—**Mr. Walker:**

Did the government send two officials to Europe on a three week mission to try and counter any impressions of Canada's treatment of its aboriginal peoples, and, if so, (a) what was the selection criteria used to determine which officials would be sent (b) what consultation process was undertaken with aboriginal people concerning this tour (c) what were the names and credentials of the two officials?

Hon. Barbara Jean MacDougall (Secretary of State for External Affairs): The Government sent an official of External Affairs and International Trade Canada, accompanied by an official of the Department of Indian Affairs and Northern Development, to Europe to brief Canadian embassy officials and other interested parties about the Government's policies respecting the aboriginal peoples of Canada. The briefings were given in eleven capitals (Lisbon, Madrid, Rome, Vatican, Bonn, Oslo, Stockholm, The Hague, Brussels, London and Paris) on eleven consecutive working days (January 28—February 11, 1991).

(a) The official of External Affairs and International Trade Canada with the appropriate mandate was the Departmental Coordinator for International Aboriginal Affairs. The official of the Department of Indian Affairs and Northern Development was an advisor on international affairs and was selected for her detailed knowledge of federal aboriginal policy and programmes.

(b) The aboriginal people were informed of the mission. Such briefing missions are normal practice for External Affairs and International Trade Canada.

(c) External Affairs and International Trade Canada was represented by Mr. B.D. Marantz whose career has been divided entirely between external relations and aboriginal affairs. The Department Of Indian Affairs and Northern Development was represented by Ms. Catherine Chalupa, an advisor on international affairs in the self-government sector of her department.

SALE OF DE HAVILLAND

Question No. 15—**Mr. McCurdy:**

Has (a) the Prime Minister (b) any other minister been contacted by Mr. Fred Doucet, or anyone employed by Fred Doucet Consulting International Inc. concerning the sale of de Havilland Aircraft of Canada and, if so, on what dates?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons):

The Lobbyists Registration Act does not require for the registration of meetings or representations.

THE PRIME MINISTER

Question No. 30—**Mr. Vanclief:**

Is Mrs. Mila Mulroney currently allocated office space by the government, on or off Parliament Hill, and, if so, (a) where is that office space located (b) what official business of the government does she conduct in that office (c) what is the operating budget of that office (d) under which department of the government are the funds for that operating budget allocated (e) how many people staff that office (f) what office equipment and furniture has been supplied to the inventory of that office?

Hon. Leonard Gustafon (Parliamentary Secretary to Prime Minister): (a) Office space located in the Langevin Block is used by Mrs. Mulroney.

(b) Mrs. Mulroney assists the Prime Minister in fulfilling the duties of his office including responding to the substantial correspondence she receives from individuals, charitable groups such as the Canadian Cystic Fibrosis Foundation etc, community groups, and professional associations.

(c) There is no separate budget for the activities described in paragraph (b). Operating costs are absorbed within the overall budget for the PMO.

(d) Costs are absorbed within the PMO operating budget which is part of the Privy Council program budget as reflected in Part III of the Main Estimates.

(e) A number of staff members of the PMO provide assitance to Mrs. Mulroney for official functions, in addition to other duties they have within the PMO.

(f) There are no separate budgets within the PMO for the purchase of office equipment and furniture. Such costs are kept within the limits of the overall operating budget of the PMO.

THE PUBLIC SERVICE

Question No. 39—**Mr. Young (Acadie—Bathurst):**

Does the government have a policy regarding the payment of legal fees for public servants and, if so, (a) what is it (b) are they totally protected (c) does this policy also apply to Members of Parliament?

Mr. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): (a) When a public servant requires legal assistance for a job related matter, the Department of Justice normally provides a lawyer. Where the Department of Justice is unable to provide legal assistance (for example, where the public servant has been charged with an offence, or where it would be a conflict of interest for the Department of Justice to act), government policy allows a departmental deputy head Minister to authorize payment of fees for private legal counsel.

(b) This policy generally covers cases when a public servant is: charged, or likely to be charged with an offence; sued or threatened to be sued; required to appear before a judicial, investigative or other inquest or inquiry; of in other circumstances sufficiently serious to warrant the provision of private counsel.

(c) This policy does not apply to Members of Parliament. However, where Ministers are acting in their capacity as heads of government departments, the government may provide legal services or pay legal fees.

MOTOR VEHICLES PURCHASED FOR USE OF CABINET MINISTERS

Question No.43—**Mr. Boudria:**

1. Since November 21, 1988, how many motor vehicles has the government purchased for the use of Cabinet Ministers and, in each case (a) who was the vehicle purchased for (b) what was the (i) make (ii) model (iii) price of each vehicle?

2. Was there a vehicle trade-in with respect to these purchases and, if so, what was the (i) make (ii) model (iii) year (iv) value of each trade-in?

Hon. Paul Wyatt Dick (Minister of Supply and Services): See attached. (p. 2103)

[*English*]

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

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if Questions Nos. 10 and 18 could be made Orders for Return, the returns would be tabled immediately.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House that Questions Nos. 10 and 18 be deemed to have been made Orders for Returns.

Some hon. members: Agreed.

CURRENT VEHICLE				PREVIOUS VEHICLE			DISPOSAL STATUS		
CABINET MINISTERS	MAKE/MODEL	PURCHASE PRICE	NVFN	MAKE/MODEL	PURCHASE PRICE	NVFN	STATUS	DISPOSAL DATE	PROCEEDS
Blais, P.	1989 Chevrolet Caprice	$22,400,00	225106	1987 Ford LTD Crown Vic	$20,791,00	219045	Disposed thru CADC	89-05-01	$9,015,08
Bouchard, B.	1990 Olds 98 Regency	$25,000,00	225086	1987 Olds Delta 88	$24,950,00	219052	Disposed thru CADC	90-05-28	$8,900,99
Cadieux, P.	1990 Olds 98 Regency	$24,992,00	225114	1988 Chevrolet Caprice	$21,261,42	225025	Disposed thru CADC	N/A	N/A
Clark, C.J.	1990 Olds 98 Regency	$25,000,00	225087	1987 Olds 98 Regency	$24,654,00	188934	Disposed thru CADC	91-01-26	$8,100,00
Campbell, K.	1989 Ford LTD Crown Vic	$22,245,30	225112	Pas de véhicule antérieur	N/A	N/A		N/A	N/A
Charest, J.	1989 Chevrolet Caprice	$22,326,00	225063	1987 Buick Century	$24,900,00	219054	Disposed thru CADC	89-05-26	$14,500,00
Collins, M.	1989 Chevrolet Caprice	$24,340,00	225117	1987 Crown Victoria	$20,208,00	225008	Still in use	N/A	N/A
Corbeil, J 10/2/89	1989 Ford LTD Crown Vic	$24,421,00	225042	1988 Pontiac 6000	N/A	307357	Lease vehicule ret'd	90-01-02	N/A
Corbeil, J 18/7/90	1991 Ford LTD Crown Vic	$24,512,00	225125	1989 Ford LTD Crown Vic	$24,421,00	225042	Disposed thru CADC	90-07-31	$14,500,00
Crosbie, J.	1989 Chevrolet Caprice	$21,767,74	225054	1988 Olds Delta 88	$19,940,00	188998	Still in use	N/A	N/A
Danis, M.	1991 Chevrolet Caprice	$24,800,00	225142	Pas de véhicule antérieur	N/A	N/A		N/A	N/A
DeCotret, R.	1991 Ford LTD Crown Vic	$24,527,00	225144	1988 Mercury Gr. Marquis	$24,999,00	225023	Still in use	N/A	N/A
Dick, P.	1991 Chevrolet Caprice	$22,495,00	225131	1988 Chevrolet Caprice	$21,470,00	225019	Trade-in	90-08-16	$8,000,00
Hockin, T.	1990 Olds 98 Regency	$24,992,00	225089	1988 Mercury Gr. Marquis	$24,886,00	219184	Disposed thru CADC	90-04-27	*
Landry, M.	1990 Olds 98 Regency	$24,992,00	225123	1988 Buick Electra	$24,986,00	325026	Still in use	N/A	N/A
Lewis, D.	1990 Ford LTD Crown Vic	$24,835,00	225122	1988 Ford Crown Victoria	$18,000,00	219047	Disposed thru CADC	90-02-21	$13,101,00
Loiselle, G.	1991 Chevrolet Caprice	$24,903,32	225116	1987 Olds Regency Brgh	$17,838,00	188916	Disposed thru CADC	90-04-26	$13,587,00
Mackay, E.	1989 Ford LTD Crown Vic	$24,250,00	225051	1988 Chrysler New Yorker	$22,660,00	225029	Trans. to W. Winegard	89-03-02	$11,050,00
Masse, M. 19/4/89	1989 Mercury Gr. Marquis	$24,200,00	225062	1987 Buick Century	$26,700,00	219004	Still in use	N/A	N/A
Masse, M. 6/12/90	1991 Mercury Gr. Marquis	$27,408,00	225146	1989 Mercury Gr. Marquis	$24,200,00	225062	Caught Fire	N/A	N/A
Mayer, C.	1989 Chevrolet Caprice	$21,264,00	225059	1984 Buick Century	$16,090,00	188411	Disposed thru CADC	89-06-26	$6,900,00
McDermid, J.	1991 Mercury Gr. Marquis	$23,565,00	225143	1987 Chevrolet Caprice	$17,411,00	219006	Disposed thru CADC	90-02-27	*
McDougall, B.	1989 Chevrolet Caprice	$20,320,00	225035	1985 Chevrolet Celebrity	$16,081,00	188523	Still in use	N/A	N/A
McKnight, B.	1989 Ford LTD Crown Vic	$22,400,00	225052	1984 Buick Century	$21,600,00	188476	Disposed thru CADC	89-05-29	*
Merrithew, G.	1990 Mercury Gr. Marquis	$25,000,00	225133	1987 Mercury Gr. Marquis	$20,753,00	219002	Disposed thru CADC	89-03-03	$8,150,00
Murray, L. (Sénateur)	1989 Buick Park Avenue	$24,882,52	225048	1986 Buick LeSabre	$18,945,00	188882	Disposed thru CADC	89-04-19	$7,100,00
Oberle, F.	1989 Mercury Gr. Marquis	$24,987,00	225041	1987 Mercury Gr. Marquis	$20,753,00	219002	Trans. to G. Merrithew	89-02-03	N/A
Siddon, T.	1990 Chrysler 5th Ave.	$25,000,00	225107	1986 Pontiac Parisienne	$18,435,00	188809	Still in use	N/A	N/A
Vézina, M.	1989 Olds Delta 88	$25,000,00	225043	1986 Olds Delta 88	$24,950,00	188878	Disposed thru CADC	89-03-29	$9,000,00
Weiner, G.	1990 Olds 98 Regency	$25,000,00	225111	1988 Chrysler New Yorker	$24,871,00	225011	Still in use	N/A	N/A
Wilson, M.	1989 Chevrolet Caprice	$20,000,00	225034	1985 Chevrolet Caprice	$16,206,00	188797	Disposed thru CADC	89-01-04	$5,700,00
Winegard, W.	1989 Chevrolet Caprice	$20,746,00	225103	1988 Chrysler New Yorker	$22,660,00	225029	Disposed thru CADC	90-04-27	$11,050,00

As of 12 March, 1991

* Unable to obtain resale value from CADC

[*Text*]

EL SALVADOR

Question No. 10—**Mr. Robinson:**

Did the Canadian delegation, composed of the Canadian Ambassador, an RCMP Liaison Officer and another officer of the Embassy in San José accredited to El Salvador, that visited San Salvador from January 4–6, 1990, to review the investigation of the assassination of the Jesuit Fathers, their cook and her daughter, issue a written Report to the Canadian government and, if so, what was the content of the report or reports?

Return tabled.

OFFICIAL RESIDENCES

Question No. 18—**Mr. Milliken:**

With respect to expenses incurred to develop the master plans for the residences of the Governor General and Prime Minister (a) what studies were commissioned (b) what was the cost for each of the studies on each of the two residences?

Return tabled.

[*English*]

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I ask that all remaining Notices of Motion for the production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Agreed.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. DeBlois): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed the following bills, that it submits to the assent of the House: Bill S-3, An Act to Amend the Act of incorporation of the Seventh-day Adventist Church in Canada, and Bill S-4, An Act to Amend the Act of incorporation of the University of Emmanuel College.

I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 52 minutes.

GOVERNMENT ORDERS

[*Translation*]

WAYS AND MEANS MOTION

SPECIAL ASSESSMENTS OF INSURANCE COMPANIES AND FRATERNAL BENEFIT SOCIETIES

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that a Ways and Means Motion with respect to Special Assessments of Insurance Companies and Fraternal Benefit Societies, laid upon the Table on Tuesday, June 18, 1991, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

(*Division No. 26*)

YEAS

Members

Andre
Bernier
Bosley
Campbell (Vancouver Centre)
Cole
Della Noce
Fontaine
Hawkes
Jourdenais
Loiselle
Masse
Plourde
Stevenson
White—27

Attewell
Blais
Brightwell
Chadwick
Cooper
Dobbie
Gustafson
Horning
Kempling
MacDougall (Timiskaming)
Mazankowski
Siddon
Vézina

NAYS

Members

Gérin
Lapierre
Rocheleau—5
Kindy
Leblanc (Longueuil)

PAIRED—MEMBERS

Members

Corbett
MacAulay
Tremblay (Rosemont)
Wilson (Swift Current—Maple Creek—Assiniboia)
Hughes
Nault

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Mr. Prud'homme: Mr. Speaker, on a point of order. I do not question the authority of the Whips, which allows them to go back into the House immediately. However, I do wish, and I am not saying that he showed a lack of decorum, because I don't want to be rude, but I even saw the Deputy Prime Minister running because the bells only rang for a few moments.

I realize the Whips may enter the House immediately, but as a senior member of this House, I feel I must at least protest against the unseemly haste with which they want to end the session. I have no objection to ending the session, but if there are further votes this evening, I wish all members would at least be given a chance to enter the House to do their duty as parliamentarians, because otherwise, the House cannot function properly. And this applies those who asked for the vote, as they are entitled to, and to those who proceeded in haste, which they have a right to do. However, as a member I expect to be given a chance to exercise my rights as a parliamentarian.

The Acting Speaker (Mr. DeBlois): The Chair always welcomes comments by the dean of the House. However, I may remind him that what happened was entirely in accordance with the Standing Orders and practice of this House.

* * *

INSURANCE COMPANIES ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-28, an Act respecting insurance companies and fraternal benefit societies.

Motion agreed to, bill read the first time and ordered to be printed.

The Acting Speaker (Mr. DeBlois): When shall this bill be read the second time? At the next sitting of the House.

Mr. Lapierre: Mr. Speaker, on a point of order. To my knowledge, we have not reverted to introduction of government bills. I would like to know why this can be done at any time. Could you explain?

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford ought to know the Chair is bound by a number of orders that were adopted last night, with unanimous consent. This was done in full view of the Canadian public, it was on television, and the Chair is bound by these orders which were adopted unanimously.

* * *

WAGE CLAIMANT PAYMENT ACT

MEASURE TO ENACT

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)) moved that Bill C-22, an Act to enact the Wage Claimant Payment Act, to amend the Bankruptcy Act and to amend other Acts in consequence thereof, be prestudied by the standing Committee on Consumer and Corporate Affairs.

The Acting Speaker (Mr. DeBlois): Pursuant to order made on Tuesday, June 18, 1991, the Chair will now recognize one member of each of the three official parties, for a period of ten minutes each. Subsequently, the Standing Committee on Consumer and Corporate Affairs will be authorized to proceed with a preliminary study of Bill C-22, an Act to enact the Wage Claimant Payment Act, to amend the Bankruptcy Act and to amend other Acts in consequence thereof.

Mr. François Gérin (Mégantic—Compton—Stanstead): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, I understand that this order made in the middle of night and on the sly is unfair and should not be approved while—

The Acting Speaker (Mr. DeBlois): Order, please! I would call upon the hon. member for Mégantic—Compton—Stanstead to co-operate. The point he is raising was raised several times already today and has been settled. Again, I call upon the goodwill of the members of this House, keeping in mind people are watching us on TV. Moreover, the Chair is bound by the order that was made pursuant to the rules of this House and approved uninamously. The hon. Minister of Consumer and Corporate Affairs.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, it is indeed a pleasure to rise in this House this afternoon to support Bill C-22 which I had the privilege to table last week. All members have a clear and pressing responsibility and that is to update every piece of legislation so that it will foster economic growth and prosperity in Canada while ensuring that businesses and consumers are treated fairly.

[*English*]

The amendments before the House represent the fruit of an extensive process of consultation review and reflection with those with a stake in the reforms: governments, business, labour, consumers, financial institutions and the insolvency community.

[*Translation*]

Mr. Speaker, all members of this House agree that the bankruptcy legislation should foster rehabilitation rather than liquidation and that it should afford consumers better protection. Because of this common vision, I can give the members opposite the same assurance I gave the critics I met with: I shall remain open to any reasonable suggestion concerning changes to be made to the proposed legislation.

Allow me, Mr. Speaker, to outline briefly the contemplated reform. The new legislation will give businesses that have a reasonable chance of surviving the tools to ensure their survival.

[*English*]

We are proposing that the current rules be changed to allow businesses in financial trouble the option of filing a notice of state of 30 days, with the official receiver for protection from all creditors, both unsecured and secured.

[*Translation*]

Another goal of the proposed reform is to strike a new balance between the following: the rights of the unpaid suppliers, the Crown interests and personal bankruptcies.

Everyone in this House will certainly be happy to hear that the primary purpose of the new provisions concerning the rights of the unpaid suppliers is the well-being of small businesses. All too often, in a single customer context, a flourishing business would collapse over a single deal when a shipment could not delivered because the business it was intended for had declared bankruptcy.

So, from now on, within 30 days of the delivery of goods to a business which is subsequently placed under receivership or declared bankrupt, suppliers will be entitled to reposess the goods.

We also took steps to limit the priority of the Crown, one of the more blatantly unfair aspect of the present Bankruptcy Act.

[*English*]

We have not forgotten consumers in the reform. Under the current rules, individuals cannot effectively negotiate with their creditors on amounts owing. This is unfair to both debtors and creditors. That is why we will permit the repayment period to be extended and permit debtors to negotiate with their creditors on amounts owed.

In the same vein, our reforms will make it less difficult for bankrupt individuals to get back on their feet by proposing to streamline guidelines governing access to summary administration.

[*Translation*]

Mr. Speaker, everyone has been saying for the longest time that one of the most serious deficiencies of the Bankruptcy Act, as it stands, is the fact that it does not protect the people who work for businesses that go bankrupt. In such cases, not only do the workers loose their jobs but, all too often, they never see a penny of the back wages their employer owed them. That is why we are proposing a new wage claim program to give them some protection as regards the payment of their wages and vacation pay upon their employer declaring bankruptcy or being placed under receivership.

[*English*]

—to be funded from employer contributions of roughly 10 cents per employee per week.

• (1830)

The program will allow employees in an employer's bankruptcy, receivership or liquidation to receive up to $2,000 for wages and vacation pay, and up to an additional $1,000 for unpaid expenses for travelling sales people.

The federal government, the largest employer in the country, will pay into the program as well, and we have asked provincial governments to do likewise.

To minimize the paper burden of employers, premiums will be collected jointly with the unemployment insurance program.

Finally, we have also included in this act a provision for it to be reviewed by Parliament after three years. We must never again allow so important a piece of legislation to become as seriously out-dated as the Bankruptcy Act.

[*Translation*]

Mr. Speaker, preparing this reform was a real challenge because we had to strike the right balance between protecting the interests of small businesses, consumers and wage-earners on the one hand and, on the other, helping viable businesses get back on their feet and protect jobs.

Mr. Speaker, I believe the reform I put before this House will help us reach those goals. I ask all honourable members for their support so that Bill C-22 is enacted as soon as possible. Mr. Speaker, I would like to remind this House that in 1987, the last time a bill numbered C-22 was tabled in this House by the present Government House Leader who was then Minister of Consumer and Corporate Affairs, that bill on the drug industry was a resounding success. I hope 22 will be a lucky number again. We trust that, with the cooperation of my colleagues in this House, we will be able to pass this bill quickly at this stage. We will refer it to committee for preliminary study, so that, come September and October, we will be in a position to pass it in this House so that we may enjoy the benefits of this legislation very soon next fall.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, it is with a great deal of pleasure that I rise today to speak to this motion which deals with the disposition and the treatment of Bill C-22 in that it would allow Bill C-22 and its contents to be pre-studied by the consumer and corporate affairs committee prior to its introduction and debate at second reading in the House.

I think it is fair to say that after some consultation with the minister who just spoke, I would have to be in agreement that the timing of this bill is important. The Bankruptcy Act has not had substantial amendments applied to it since 1966. The current bankruptcy legislation which we are operating under has been around since 1949.

There are a number of provisions in that act which have to be scuttled. There are some new provisions which have to be added. There is some updating which certainly has to be done. Some of the major components of the act lead me to believe that with some flexibility on the side of the government, and it is there because I think it truly has a desire to come up with a piece of legislation which is workable and supportable by all those who are concerned, during the pre-study period we will certainly be able to listen to interested groups.

It is my hope that the committee will be able to travel as we do the pre-study, not extensively, but as much as necessary to listen to those parties that are interested outside of the capital region. Bankruptcies do not just happen here, they happen all over the country. If good suggestions come forward in the spirit of co-operation and compromise, I hope the government will listen to that and will accept good amendments that do not alter the direction of the act.

Concerning the direction of the act itself, there are two or three points which I just want to very briefly address.

The Wage Earner Protection Program is one which is long since overdue, and is one which has been the subject in the past of some private member's motions in this House. Back in 1949, there was a provision for some priority for workers' wages up to an amount of $500. The effect of this Bill C-22 would put in place a fund for workers' wages to a maximum of $2,000, plus the $1,000 for sales persons' expenses would come out of the fund. The government thinks that this may cost abut $60 million per year. It is proposed under that piece of legislation to be financed solely by the employers.

We have some difficulty with that for a couple of reasons, which we will get into during the course of the debate, and which I am sure will be raised by interested parties which will be called upon to submit testimony during the pre-study period.

One of the questions we want to examine and talk to individuals about is whether the wage earner protection fund actually should have been in two parts. One fund with a super priority for wages and the second fund, financed either by the Treasury or by a combination of an employer tax and the Treasury of the Government of Canada, which would basically act as the emergency fund but still give super priority.

Those are things about which we will listen to witnesses to determine if the current proposal is the best one for the circumstances.

Another provision which is very timely and overdue deals with the 30 day stay provision for firms in financial difficulty. It is absolutely essential that this type of protection, which they have had in the United States for a number of years, is introduced to a modern bankruptcy act in Canada.

As we all know, because we all have constituents who are in business, all too often secured creditors walk in quickly, seize assets, cut off credit lines, and put receivers in place. Many times healthy companies, for whatever reason—they may be having some temporary difficulty—find themselves in a position where they cannot go on with their business and bankruptcy ensues. The purpose of any amendment to the Bankruptcy Act, as the minister said, is to instil some balance in the system, balance between all the players in business, without any question.

We must ensure that this 30 day provision is sufficient to protect the interest of the debtor, of the consumer and of the secured creditors. Those things will be debated.

One of the other provisions which is extremely important deals with suppliers. All too often what happens is that suppliers, who basically lend, give material to other businesses and perhaps they are out 30 or 60 days. A day or two after the material, perhaps large amounts, go to another business that business will declare bankruptcy and most of the time the supplier is not in a secured position. Unfortunately, the supplier loses a tremendous amount of money and in many cases the domino effect causes that supplier to go out of business. We have seen that a lot in the current recession.

Those provisions are also addressed in the bill. A pre-study of the bill will allow other interested parties to participate and I think we might see some good suggestions for amendments.

The only major concern I have at this point is that we are in a period of record bankruptcies. As we well know, the bankruptcies in the first quarter of this year have been at a near record level. The total number of bankruptcies in the last seven years, since this government took power, is a staggering 273,789. In each of those cases in the case of consumer bankruptcies, there is a great deal of devastation felt by those people who have had to claim bankruptcy under this antiquated act.

As for business bankruptcies, there are hundreds of thousands of individuals who over the last seven years have found themselves in great difficulty with some of the wages, the investment they have put in the company, at risk. I am certainly hoping that those individuals will be able to be heard during the pre-study and have some input into the final package presented to the House, during second reading and when it finally does get to committee after second reading.

One of my big concerns, and I should say it here, is the amount. The ceiling is $2,000. If we simply factor in the $500 protection of the 1949 act with the CPI factor it should be around $3,100 or $3,200.

Again in the Coulter report of 1980, a figure of $2,000 for such protection was suggested. If you factor in the CPI it appears that protection should be around $3,200. Those are the types of concerns that we will be bringing to the pre-study and that I am sure we will hear about.

• (1840)

Again, the big concern we have is that some of the provisions of this act are not going to be enforced. If the act was passed today, we would still have a problem with the wage earner protection program.

The wage earner protection program cannot be put in force until January 1, 1992, which means that even if this House could find some consensus right now, there would still be hundreds of thousands of individuals, if the current recession and record numbers of bankruptcies continue, who would not find any protection in that particular fund.

Indeed, the studies have shown that in commercial bankruptcies 30 per cent of them have wage claims that are left outstanding. The sooner that this type of protection is brought in, the better off it will be for thousands of Canadian workers right across this country.

In closing, I hope that by the time this committee gets to do the pre-study in the fall, we will see some signs of recovery, some signs of a change in this government's economic policies which caused this recession in the first place.

I hope that we will not be sitting here in this House in December after this bill is passed, knowing full well that because the bill did not come in earlier in the session and the wage earner protection fund did not kick in earlier, that another 40,000, 30,000 or 25,000 companies and individuals have declared bankruptcy. Another 10,000 or 20,000 wage earners have seen their hard earned investment in their companies go up in smoke.

[*Translation*]

Hon. Jean Lapierre (Shefford): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford, on a point of order.

Mr. Lapierre: Mr. Speaker, I move that the hon. member for Mégantic—Compton—Stanstead be now heard.

The Acting Speaker (Mr. DeBlois): Again, I remind hon. members that the Chair is bound by a House order adopted unanimously last night in this House. I recognize the hon. member for Nickel Belt.

An hon. member: Point of order.

An hon. member: Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): Order, please. I refer hon. members who want to raise a point of order to the *Votes and Proceedings* of the House, where the order that binds the Chair is recorded. It says:

> The Speaker shall recognize one speaker from each of the three recognized parties to speak for a period not to exceed ten minutes each.

So I have to follow that order, and I recognize the hon. member for Nickel Belt.

Mr. Gérin: On the same point of order—

The Acting Speaker (Mr. DeBlois): Does the hon. member have the unanimous consent of the House?

Some hon. members: No.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, this is the bill that we waited 42 years to get into the House of Commons.

Successive Liberal governments refused to do anything about updating the Bankruptcy Act of 1949. They went through the recession of 1982, which was one of the worst downturns in economic activity in Canada, with thousands of bankruptcies.

Thousands of workers lost their jobs because of bankruptcies and received no compensation. We started into this recession brought on by this government and now we have gone through the worst of it. Today, they have the gall to stand up and say the *r* word.

Say the other *r* word, "recovery". The recession is dead. Here we have the Minister of Consumer and Corporate Affairs. The fireman has now come to put out the fire. It is a towering inferno. He arrives at the fire with a stepladder and a garden hose.

The one positive thing I could say about this minister—I must say it—is that he is courageous. After all, he has been in this post longer than any other Conservative Minister of Consumer and Corporate Affairs. At seven months, that is an eternity. Finally, he has delivered, but what has he delivered?

An hon. member: A baby.

Mr. Rodriguez: No. He has delivered a mouse.

He has laboured hard and long, and we have waited with bated breath for this delivery. We were expecting a very modern bankruptcy act.

An hon. member: There is a mouse in the House.

Mr. Rodriguez: Anyway, at least we have the bill before us. The bill will go to pre-study and as it goes to pre-study there are certain things about it that we want to examine. I welcome the minister's openness. He said he is prepared to take amendments. Let us see what some of those things are that we are concerned about.

First and foremost, we must be concerned about the compensation for workers who have lost their wages. I want to tell you that in 1949, $500 was what workers could get. In 1949 you could buy a car for $500.

An hon. member: And it would run, too.

Mr. Rodriguez: My friend, who is an expert on hidden car warranties, told me it would run. One could buy a car for $500. Why, $500 would be the down payment on a house in 1949.

The minister says he is updating the bill. One would think he would really update it. What does he tell us the maximum amount is that workers could get now in lost wages in a bankruptcy?

An hon. member: Tell us, John.

Mr. Rodriguez: In lost wages and vacation pay? Up to, no, no, not $10,000. No, no, not $8,000. No, it is $2,000. I mean $2,000.

An hon. member: Shame, shame.

Mr. Rodriguez: I did a bit of calculation and took $2,000 in today's dollars back to 1949, and do you know how much it is? It is $50. Yes, $50. In 1949 dollars it is $50.

This is a generous minister you see here, and he is not even generous with his own money. He is going to really make those big corporations pay, 10 cents a week per employee. Do you know how much money he projects to collect in this fund? Sixty-two million dollars.

An hon. member: And how do the banks make out, John?

Mr. Rodriguez: They are doing quite well in this. If you are a mom and pop operation with 10 employees, you pay 10 cents a person a week. If you are a big bank with 30,000 employees, you pay 10 cents a person a week. There is regressive taxation for you.

Pascals, which went into bankruptcy, would take 5 per cent of the fund right off the bat. There are thousands of Pascals that have been going bankrupt in the last little while. We have a problem with that. We have a problem with the fact that the minister decided he is not a fighter. This minister is not a fighter. He is a lover. That is what he is.

Let me explain before he thinks I am being dishonest here. The minister had a choice to make on this Bankruptcy Act. He could take on the big financial institutions of this country. He could have placed workers in a juridical position in terms of secured creditors. He could have put them at the front of the bus. What does he choose to do? He says: "No, I am not going to fight those big financial institutions".

They lobbied him. Do you know what he has done? He has put the workers into a little fund, $62 million in the fund, and he did not fight for the workers in terms of their position on the scale. We have a problem with that. We want you to explain why you did that.

This fund, for all of Canada, is $62 million. Ontario alone has put aside $175 million for the wage loss program, $175 million. You got the surplus in the GST. Why do you not go there and take $100 million and put it in? Why do you not go there? Why do you go to small businesses and put another tax on them? Why do you tax small business? All you know how to do is tax, tax, tax. All the Tory backbenchers are saying: "Oh, we have to lower taxation". I hear an election on the horizon. It is not going to do. We have to look at that.

• (1850)

We have a problem. The minister says we are going to protect suppliers. Company *a* supplies company *b* with materials on June 1. Company *b* goes bankrupt on June 15 so company *a* has until June 30 to go and get the supplies that it delivered there on June 1.

Now the question is: What happens if company *b* goes bankrupt on June 29? It was supplied with the materials on June 1 and it goes bankrupt on June 29. Company *a* has one day, and it gets even more interesting. What if *b* goes bankrupt on June 30 early in the morning? There is no time for *a* to go and get his material. What if he arrives at the place and his materials are hanging from the ceiling? Is he allowed to remove them?

An hon. member: Exactly.

Mr. Rodriguez: No, he is not. We have problems with that.

The bill is not retroactive, particularly for workers. There is no retroactivity. We have come through the worst part of the recession. This bill will not get passed till some time in the fall, so all of the victims of this government's inept economic policies have all gone by the wayside. There is no retroactivity in the bill, so we have a problem with that.

We have a problem with the taxation to small business. This is another tax on small business. No matter how you cut it, no matter how you twist it, it is a taxation on small business.

Then the minister says he is going to tie this into the unemployment insurance program. This one we have to explore because the UI Act says any moneys received from an employer have to be counted as income. We have to see how these two things relate.

Last, but by no means least, we are concerned about the ripple effect. The minister says that at some point maybe the provinces will have also to pay into this fund and probably the municipalities. The municipalities can only get their money from one group of people, and that is from taxpayers, homeowners. We have a problem with that.

While I welcome the fact that you have actually brought in a bill and that it is going to go to study, I want to say to the minister that I hope he is going to be as open-minded in terms of amendments, when we get into the discussion of the bill, as he has been when he wanted us to give support for this matter to go for study.

I hope he will maintain the same generous spirit, brother, when we get down to the short strokes.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Consequently, the Standing Committee on Consumer and Corporate Affairs is authorized to proceed with the preliminary study of Bill C-22. An Act to enact the Wage Claim Payment Act, to amend the Bankruptcy Act and to amend other Acts in consequence thereof.

[*English*]

PROCEEDS OF CRIME ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-9, an act to facilitate combating the laundering of proceeds of crime, as reported without amendment from Legislative Committee F.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I rise on a point of order. I think that you will find, if you examine the amendments which have been put forward with respect to report stage of this bill, that they are all in my name. I would like to withdraw all those motions, with the exception of Motion No. 9, which I would like to continue to have stand.

Let me read the motion to you, then, that would continue to stand:

> That Bill C-9 be amended in Clause 5 by striking out lines 6 to 13 at page 3 and substituting the following therefor:
>
> "(3) When a regulation under this Act is changed during the 95-day period referred to in subsection 2 above, such regulation shall be published in the *Canada Gazette* at least 30 days before the proposed effective date thereof".

[*Translation*]

The Acting Speaker (Mr. DeBlois): So, the Chair takes into account the request made by the hon. member for Essex—Windsor.

Pursuant to the order of Tuesday June 18, the Speaker will now recognize one speaker from each the three recognized parties to speak for a period not to exceed 10 minutes each, following which the Speaker shall fortwith put all questions necessary to dispose of the report stage and third reading of said bill.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Deblois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, the order of the House, from last night, in the middle of the night, must be taken integrally. Now that you have accepted the motion of the hon. member for Essex—Windsor, you must allow all the other members, including the independent members, to take the floor.

Mr. Speaker, it is undemocratic that the whips of three parties exclude the independent members, including those of the Bloc Quebecois.

The Acting Speaker (Mr. DeBlois): I remind the hon. member for Mégantic—Compton—Stanstead that he should be careful and use a parliamentary language that is in accordance with tradition.

That being said, Motion No. 9, to which the member for Essex—Windsor is referring to, is part of the report of the committee. It is not necessary here to get anybody's approval.

Mr. Rocheleau: On a point of order, Mr. Speaker. To my knowledge, this report belongs to the House and the decision rests with the House and not mutual agreements concluded between the three parties last night, without the knowledge of Canadians.

I request a declaration from the House on that issue.

The Acting Speaker (Mr. DeBlois): The motion proposed by the member for Essex—Windsor is in accordance with the rules, but the debate on this motion must take place according to the order which is binding for the Chair and which is in the proceedings.

Consequently, I recognize, pursuant to the order, one speaker from each of the recognized parties.

Mr. Lapierre: On a point of order, Mr. Speaker. The question put to you and for which we request a ruling does not have to do with those who will take the floor. We know that ourselves; we read the order and we saw the gimmick. That is not what the question is about.

We want to know if a member can withdraw a motion, like that, without unanimous consent. That is what I want to know.

The Acting Speaker (Mr. DeBlois): I apologize, but we are dealing with technicalities and, once again, the member for Essex-Windsor—I may have used the wrong wording—has not moved a new motion. He is simply indicating that, in the series of motions on the Order Paper, he is only keeping motion no 9.

In that regard, we are authorized, at the report stage, to recognize only three speakers on the motion kept.

• (1900)

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

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, that is not the point. According to the rules of this House, we have to put forthwith every question necessary, to dispose of proceedings not only those indicated by the hon. member for Essex—Windsor. We want to vote on and dispose of every question and motion before the House, Mr. Speaker. That is the question I raise.

The Acting Speaker (Mr. DeBlois): Order, please. We are again dealing with technicalities. The hon. member for Essex—Windsor has only given notice of his motions. He has not introduced them yet. The hon. member just pointed out to Motion No. 9, and I must say about this motion and all other questions that have to be disposed of on this Bill, that I am bound under the rules of this House to recognize one member of each of the three officially recognized parties.

Mr. Steven W. Langton (Essex—Windsor): I move: Motion No. 9

That Bill C-9 be amended in Clause 5 by striking out lines 6 to 13 at page 3 and substituting the following therefor:

"(3) When a regulation under this Act is changed during the ninety-five day period referred to in subsection (2) above, such regulation shall be published in the *Canada Gazette* at least thirty days before the proposed effective date thereof."

Mr. Gérin: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): I regret, but, pursuant to Standard Order 30(6), since it is 7 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ENVIRONMENT

ACCOUNTING OF USE OF RESOURCES

On the Order: Private Members' Business

May 16, 1991—That, in the opinion of this House, the government should require each government department and agency to include in their budget submissions an accounting of the use of resources whose use or disposal has an impact on the environment and annual targets for reduction and to report any associated cost savings.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Kingston and the Islands on a point of order.

Mr. Milliken: Mr. Speaker, the hon. member for Ottawa-West is not available at the moment. I would then ask that the motion—

[*English*]

—be left in its order of precedence, retain its precedence in the Order Paper and accordingly we are unable to proceed with private members' hour at this time.

[*Translation*]

Mr. Lapierre: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, the member was here a few minutes ago. I do not know if she had something urgent to attend to, but I myself am prepared for this motion. I was advised of it this morning, and I am now ready to proceed with my speech.

[*English*]

Mr. Hawkes: Mr. Speaker, according to Standing Order 42, I think if the government is willing to accede to the request that comes from the official opposition it can be granted by the Chair. We would suggest that it keep its order of precedence. We make such a request.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I want to refer the hon. members to section 42(1) of the Standing Orders. It is stated that: Questions put by members and notices of motions, not taken up when called may (upon the request of the government) be allowed to stand and retain their precedence.

Since, that is the case of motion 473, the government just called the motion will stand.

Mr. Lapierre: Mr. Speaker, I would like for you to explain the meaning of the expression "not taken up". For myself, I am ready to take it up, I am ready to speak, I am available.

Mr. Allmand: But she is not even here to move the motion!

Mr. Lapierre: Someone could do it for her. She was here just three minutes ago.

Mr. Rocheleau: That is what we call cohabitation!

The Acting Speaker (Mr. DeBlois): Order, please. To open consideration of a motion, the mover must be present in the House to introduce it. The member knows as well as I that it is not the case.

GOVERNMENT ORDERS

[*Translation*]

PROCEEDS OF CRIME (MONEY LAUNDERING) ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-9, an Act to facilitate combatting the laundering of proceeds of crime, as reported without amendment from a legislative committee, and the motion of Mr. Langdon (p. 2111).

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead, on a point of order.

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, considering that we gained an hour by not dealing with private members' business because the member was hiding, I move that the House do now adjourn until 8 o'clock, to allow members to see to their business, which could prove more interesting for Quebecers than what is going on now.

I move that the House stands adjourned until 8 o'clock.

The Acting Speaker (Mr. DeBlois): Order, please. As you know, the Chair is bound by the Order of Business as set out in the Order Paper which provides for extended hours to 10.52 tonight. Since there is no other private member's business according to notices on the Order Paper, I have no choice but to pass on to the next order.

Mr. Lapierre: Mr. Speaker, on a point of order, would it be possible for a member, me for instance, to move Mrs. Catterall's motion, given her absence?

An hon. member: No.

Mr. Lapierre: You are not the Speaker!

The Acting Speaker (Mr. Paproski): Is there unanimous consent of the House?

Some hon. members: No.

The Acting Speaker (Mr. Paproski): There is not unanimous consent.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it has been an interesting 20 minutes. We now start to look at the question of money laundering which Bill C-9 deals with. Bill C-9 is an important piece of legislation which requires financial institutions to keep the various paper records which will be essential in the tracing of money laundering operations associated with organized crime.

• (1910)

This attempt to deal with money laundering more effectively is certainly something that we in the New Democratic Party support. We were especially pleased to be able to persuade the government in the course of the previous session of Parliament that it was important in a bill such as this, which leaves so much of the details of what will take place to regulation, to see to it that regulations would not be put into effect until there had been a period of at least 90 days after their publication in the *Canada Gazette*, during which time people would be able to make presentations to the government with respect to those regulations.

We feel that is an important precedent for future pieces of legislation which have the same reliance on regulations as Bill C-9 does.

We also feel, and I gather that the government is in agreement with us now on this point, that if during that 90-day period there is a change in those regulations which leads to a different set of regulations being put out within that 90-day period for reflection and representation, it shall then be possible still to have a further 30 days for those people who were prepared to accept and to live with the previous regulation to be able to adjust to the regulation change, and to be able to make representations with respect to the change and so on and so forth.

The recommendations which came first to the government for this extended 90-day period and subsequently, were presented to a legislative committee which reviewed this bill, came from the Canadian Bar Association. They represent an important principle in the view of the Bar Association that you should not have regulations put into effect without some period of possibility for dealing with those regulations and responding to those regulations on the part of those who will be affected by the regulations.

We would have preferred to move this particular amendment at the legislative committee stage, but some mix-ups in communication at that stage made it impossible to do so and so we have moved it at report stage on the basis of the representations made to us during the legislative committee hearings by the Canadian Bar Association. It felt this legislation should not proceed without this further 30-day period if there is a change in regulations as a consequence of representations during the 90-day period allowed with respect to the original regulations set out.

With this change, which I understand the government is prepared to accept, there is the possibility that it will be moving a subamendment which will put this particular amendment into conformity with the original piece of legislation; making it 90 days as opposed to 95 days. We would support and accept this change. We think that this now represents a good piece of legislation.

It is a piece of legislation which will make it easier for our police forces to deal with money laundering associated with drug trafficking and with other forms of money laundering. We think it is an important step for the government to be taking. We are pleased that step is being taken as part of a broad series of moves on the part of various countries throughout the world to try to get better control over money laundering in order to deal with the serious problems which it represents and which drug trafficking represents to our society, to our children, and to the world itself.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I do not believe I will be taking 10 minutes.

I want to thank the members on the legislative committee for their co-operation. We had a good hearing and we heard some very interesting witnesses. It was the feeling of the members that we could move along and bring this to the House in report stage, get it through report stage and third reading at this sitting.

I am sincerely thankful to the members of the Official Opposition and the New Democratic Party for their co-operation and assistance. It is an example of how we can work together when we really want to.

As the member for Essex—Windsor has said, this is a very important bill and is part of the drug strategy that we have in Canada. We also have an agreement with the G-7 nations to try and track the money laundering or money that is used or acquired in the sale of illegal drugs. It is also part of a United Nations' initiative which is going to grow into, I believe, a very, very important strategy on the part of various governments to control the funds acquired through the sale of illegal drugs.

The member for Essex—Windsor moved Motion No. 9, and I, as he has indicated, intend to amend Motion No. 9 as follows:

> That the motion be amended by deleting the word "95" and substituting therefor, the word "90".

As the member for Essex—Windsor indicated, this will bring Motion 9, which amends C-9, into conformity with the bill.

I think that is about all I can say on it. It is an interesting bill. We had some good briefings from the Canadian bankers, the RCMP and others. I think the initial co-operation of members to pass the bill with a speaker from each party and with the speed with which it was dealt in committee shows the will of the members to get this bill into law as fast as we can.

• (1920)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I rise today to speak on Bill C-9 and the amendments put forward by my colleague from the New Democratic Party.

The bill before us would provide for the tracking of money laundering in Canada by requiring Canadian financial institutions to comply with bookkeeping requirements.

The draft regulations published with the bill indicate that any transaction of $10,000 or more would be recorded. The penalties for a violation of the provisions of this legislation would range from fines of $50,000 to $500,000 and prison terms from six months to five years.

As it has been noted by the government, my party has been supportive of the basic aims and intentions of the government with regard to combating and laundering of proceeds of crime. The bill builds on the so-called freeze and seize legislation, Bill C-61, which in addition to giving new powers to both the courts and the police to seize crime proceeds, created the offensive money laundering.

Money laundering is a process by which illegal profits are transformed through financial markets and to legitimate—

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): Order, please. The hon. member for Hull—Aylmer on a point of order.

Mr. Rocheleau: I would like to have quorum in the House so that I can give a speech that the Canadian people appreciate, but not the hon. members it seems. So, I am calling for a quorum count.

And the count having been taken:

The Acting Speaker (Mr. DeBlois): There is quorum. The hon. member for Haldimand—Norfolk has the floor.

[*English*]

Mr. Speller: Mr. Speaker, I thank my hon. friend for his concern.

As I was saying earlier, money laundering is the process by which illegal profits are transformed through financial markets into legitimate funds serving to obscure the real identity of the real owners of the funds and to obscure the nature and the source of these funds.

These activities are being pursued on an international scale and there has been a move afoot in the G-7 and other international forums to develop domestic programs and encourage co-operation to combat this program.

There is little question that a fundamental part of any attempt to control and combat the smuggling of illegal drugs must be the development of effective monitoring and evidence gathering systems in the laundering of drug profits.

There has been general consensus in this country for some time that there are great shortcomings in Canada's financial reporting laws. It has been because of these shortcomings, coupled with our proximity to major drug routes and our large, open border with the United States, that Canada has gained a reputation world-wide as an easy and safe place to launder the profits of illegal activities.

In testimony to the legislative committee studying the bill before us, RCMP officials confirmed that the problem of money laundering in Canada has indeed been a large one. In fact, over $1 billion a year is laundered in Canada through illegal drug practices.

What this has meant is that police agencies, once having identified someone believed to be engaged in criminal activities, were severely hampered in the collection of evidence that might help convict these people. As such, we are very eager on this side of the House for this government to bring down legislation that will correct these matters.

After the disappointment with the government's first attempt in the last session with Bill C-89, we are considerably more satisfied with the bill before us today. We are pleased that the government has given consideration to the shortcomings of the previous bill brought to the attention of this House by members on this side of the House.

The draft regulations accompanying the bill are also an improvement. There are now definitions of cash and of the nature of the records that must be kept. There is still some concern however in our party that too much is left to regulation. As such, the operation of this legislation could change dramatically without being brought before this House, again requiring only an Order in Council.

We do understand the need as was articulated in the committee for flexibility in such a moving area. We recognize that, as many people are engaged in money laundering activities, they are very quick to find and exploit any loophole in the law. We must be just as quick to stop them from doing this.

There also remains a concern that the recording of large transactions will be extended to overseas branches of Canadian banks. We know, for instance, that there is a significant amount of money laundering activity going on in the Caribbean. It is our hope that this will not provide for the significant undermining of our efforts. We are pleased that more countries are joining the effort to curb laundering activities at this time.

I will leave it at that, but I would just like to leave you with a note. We want to send a message to this government and to the people who would do these illegal activities in our country. We as parliamentarians will not stand for this.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Pursuant to the order made on Tuesday, June 18, 1991, it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the report stage and third reading of Bill C-9, An Act to facilitate combatting the laundering of proceeds of crime.

The question is on the amendment to the amendment of Mr. Kempling.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*English*]

Mr. Hawkes: I would like to defer the vote until 9.45 p.m.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Stop the bells now. Pursuant to Standing Order 40(5)(a), the division stands deferred until 9.45 p.m. tonight.

And the bells having stopped:

Mr. Lapierre: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Shefford on a point of order.

Mr. Lapierre: Mr. Speaker, there are precedents. Once the bells have started ringing—You know full well, ask your old colleague, the hon. member for Yukon, Mr. Neilsen. We have been through that bell ringing before, Mr. Speaker. Members were called in. You cannot stop that, we are not in a lawless place, Mr. Speaker.

Mr. Kindy: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Calgary Northeast on a point of order.

Mr. Kindy: Mr. Speaker, once the bells start ringing, I think we cannot stop them. Maybe you could indicate how you go about having them stopped.

• (1930)

The Acting Speaker (Mr. DeBlois): I am sorry, but the rules are very explicit about that.

An hon. member: Which rule?

The Acting Speaker (Mr. DeBlois): Standing Order 45(5(a), page 27, latest edition.

> (5)(a) When the Speaker has put the question on any debatable motion, including any votable Opposition motion on an allotted day— except as provided pursuant to section (3) of this Standing Order, the bells to call in the Members shall be sounded for not more than thirty minutes—

And carefully note this:

> —provided that, while the Members are being called in, either the Chief Government Whip or the Chief Opposition Whip may approach the Speaker to request that the division be deferred—

This is what I have just noticed.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead, on a point of order.

Mr. Gérin: Mr. Speaker, you are right. Standing Orders state it clearly. But we are now told the division will take place at 9.45 p.m., if I am not mistaken. Can the Chief Government Whip guarantee that the Prime Minister's party, which is being held at 24 Sussex Drive, while Canadians go hungry, will be finished at—

The Acting Speaker (Mr. DeBlois): Order, please! That was no point of order.

* * *

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

The House proceeded to the consideration of report stage of Bill C-2, An Act to amend the National Energy Board Act, on which Legislative Committee C reported without amendment.

[*English*]

The Acting Speaker (Mr. DeBlois): Pursuant to the order made Tuesday, June 18, 1991, the Chair will now recognize one member from the government party, two members from the Official Opposition, and one member from the New Democratic Party to speak for a period of time not to exceed 10 minutes each, following which the Speaker shall put forthwith all questions necessary to dispose of report stage and third reading of Bill C-2, an act to amend the National Energy Board Act.

[*Translation*]

Mr. Rocheleau: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Hull—Aylmer on a point of order.

Mr. Rocheleau: Mr. Speaker, I wish to ask you permission to speak, because Bill C-2 relates to the National Capital—

The Acting Speaker (Mr. DeBlois): Order. I remind the hon. member for Hull—Aylmer that the Chair is bound by an order of the House unanimously agreed to by the members present and that, after having recognized each of the members named in the motion, if the House unanimously agrees, I will be pleased to recognize the hon. member.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, the whips can agree for their own party, but they cannot agree for independent members.

The Acting Speaker (Mr. DeBlois): It is not a point of order. The hon. member knows very well that there is an order of this House and that the Chair is bound by it.

Mr. Rocheleau: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Hull—Aylmer on a point of order.

Mr. Rocheleau: Mr. Speaker, it is incumbent on the Speaker of this House to protect the rights to the minority members. Independent members have the right to speak and I have the right to protect—

The Acting Speaker (Mr. DeBlois): Order. I will point out again that this matter was resolved several hours ago. The Chair is bound by an order agreed in front of the whole population by the members present in this House. I recognize the honourable whip of the government.

[*English*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to rise for a few moments to speak on Bill C–2. As members know, my constituency is the constituency of Calgary West.

For some time now one of the smaller units of the National Energy Board has been located in the riding of Calgary West and in fact is housed at the present time in the same building as my constituency office.

This piece of legislation in terms of western Canada, the provinces of Alberta and Calgary in particular, has symbolic significance of great importance. We lived through a very difficult time some years ago with the National Energy Program which had some very difficult consequences for our community and our part of the country. That is where the symbolism comes in, the transfer of the National Energy Board to Calgary has a symbolic flavour.

Perhaps of more importance in the longer term is the fact that it will reduce the costs consumers ultimately have to pay for the provision of energy in this country. The location of the board in the city of Calgary really signifies the fact that 90 per cent of the work done by the board and those who are petitioners before the board involve firms in the city of Calgary. This will cut down enormously on their travel costs, food costs, airline tickets and so on, and ultimately any business expense ends up being paid for by consumers.

This move, while a bit costly in its initial phase, will have long-term consequences over the decades and will reduce those costs to the consumers of the future. It is a sound business proposition. It has symbolic importance, particularly in this year when we are so engaged and will be engaged in the 12 months ahead on national unity issues. That symbolic importance for the good of this nation through its willingness to stay together cannot be underestimated. I guess if there is a negative side to it, we know and we feel badly for some of the families that feel they cannot travel to Calgary. It would be lovely if they could. They would enjoy it and their children would prosper in that part of the world, but there are families with two incomes, with two jobs and there are difficulties in many cases caused to families in the Ottawa region.

The provisions to assist those people in securing employment with the Government of Canada in this region are also an important part of the plan of the government so that the disruption to families is minimized as much as possible.

In closing, I just want to say to the National Energy Board on behalf of the people who live in my riding, the people who live in my city, the people who live in my province and the people who live in western Canada, welcome, we will treat you well. The country will be better off when this piece of legislation is proclaimed.

[*Translation*]

Mr. Gérin: Mr. Speaker, I am asking for your help because I see that the Minister who moved the motion is not present in this House, and since there is no Member of the Cabinet in this House, it is out of order that we should continue.

The Acting Speaker (Mr. DeBlois): I want to point out to the hon. member that no member should mention the presence or the absence of any member in this House.

Mr. Gérin: But the Minister is not here!

The Acting Speaker (Mr. DeBlois): If you remember, a moment ago, I simply said that the custom is that the member moving a private member's motion has to be in the House to move his or her motion. That is why we then had to make this observation.

However, more generally, the House rules provide that we should not mention the presence or the absence of a member in this House.

Mr. Gérin: Very well, Mr. Speaker. But the Minister did not present his bill. There is no Minister here and the government—

The Acting Speaker (Mr. DeBlois): I am sorry, but I think hon. members are questioning the Chair's ruling, which is not allowed by our rules.

The hon. member for Ottawa West.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I know it is getting late but I really did need to speak on this bill. I have just been through the rather unpleasant and difficult experience of sitting on the legislative committee on Bill C–2 and it was once again a demonstration that the government is prepared to use its majority power either in the House or in committee to override any sense of good democratic process.

The government has had this bill in hand in committee since May 23, 1991.

• (1940)

It was only last week, over three weeks later, on June 18 that the committee finally convened to consider who it would invite as witnesses. Having sat on the bill for three weeks, the government members on the committee used their majority to ensure that the committee would complete its business less than 48 hours later. What it essentially said was there are witnesses who want to be heard from, but unless they can come to its beck and call within the next 36 hours, the committee is not going to hear from them.

As a result, many of those employees to whom the member just referred, who are affected by this decision of the government to move the National Energy Board, were unable to appear either individually or through their union representative and present their concerns about this bill, some suggestions which they felt should be considered by the government and possibly even in the legislation.

There was ample time for the committee to hear from witnesses and conclude its business in time for this House to deal with this bill before the recess. However, members were adamant that they would not sit at all on a Friday or on Thursday evening or on Monday to hear from people whose lives are being disrupted and changed with very little warning and very little notice.

The committee was able to hear, excuse me, chose to hear from only one representative of employees representing the small component, the Professional Institute of the Public Service of Canada. The Energy, Mines and Resources component of the Public Service Alliance of Canada, the Council of Canadians and numerous others that had written to the minister indicating their interests in this bill and their opposition to this bill were not allowed to come before the legislative committee.

Many of my own constituents could have come had the committee in time given any indication, had the government members of the committee in time given any indication that they would not hear from the duly elected union representatives of those employees. They did not, and therefore people were denied the opportunity to present to the members of this Parliament their concerns and ways in which those concerns could have been remedied.

There is a lot of playing with words in this. It was very interesting during the course of discussions to find out that this government has no decentralization policy. It was very interesting to find out that it does but it does not. We asked very specifically, and the information I have from the Treasury Board is this: "The decentralization program no longer exists." The decentralization policy does not apply. On the other hand, the next paragraph says: "For some time the Treasury Board has been working to eliminate the decentralization policy".

You may ask: what difference does this make to this bill and to these employees? The change in location of the National Energy Board affects over 300 employees. If this were being handled properly, as the decentralization should be, the employees would be given up to a year's notice of their move. They would be given an extended period of time in which to maintain a residence here, travel back and forth, and adjust their family life to their new situation.

Because the policy is not being followed by this government, people are being forced to make choices to either separate their families or not move with the board. The result is that the board is losing some very competent and capable people. I think that is a shame, but I think it is more of a shame that the federal government is not living by its own policy, which says one year notice to employees.

We all know that this has been extremely rushed and as a result it is extremely expensive, and I will come to that in a moment. The announcement was made in the budget on February 26 without the knowledge of the chairman of the board of the National Energy Board and without, I am told, the knowledge of the minister. As late as the end of April people did not know the conditions under which they were being asked to move, they did not know what expenses would be paid or what would await them in Calgary, but they were asked to make a decision within less than three weeks as to whether they wished to uproot their family and move halfway across the country. That is not a fair and just way to treat people.

The minister, when he appeared before the committee, referred to fair and equitable treatment of all employees. I want to acknowledge that the minister seemed genuinely surprised when he found out that all employees were not being treated equally and were not being treated fairly, that some employees in the management category were being treated with much more compassion, with much more respect and with very special privileges compared to the rest of the employees of the National Energy Board.

I urged the minister during the hearings, and I urge him again, to ensure that the equity and fairness he referred to in his presentation to the committee are respected and that people are treated with compassion and concern for their individual lives.

Unfortunately, the minister chose to use the opportunity to make some rather unfortunate comments about public servants and I want to refer to them because I do not think that was appropriate. The attitude on the other side of the House seems to be that if people choose not to go with the Energy Board it is because they are not loyal to their employer or because they somehow have something against Calgary. Nothing could be further from the truth.

People have reasons why they are unable to relocate when a government job relocates. It is entirely inappropriate for the minister to say things like: "To put it bluntly, I have very little time for public servants who, with emphasis on service, somehow feel it is their great gift to the Canadian public if they are located in Ottawa". That is not the case at all. People were hired here. They have established families here. There were many particular cases we heard over the course of the hearings which indicate why people will choose not to move.

The kind of special treatment the management category is getting is very effective because 75 per cent of the management category is going while—and I think this should be a real concern—only one-third of the scientific and technical category is going and less than 10 per cent of some of the support staff.

That very clearly indicates that this move has a discriminatory and much more significant effect on women employees of the board, and I think the board needs to address that.

The other concern is the move to special employer status. Unfortunately the chair of the committee ruled out of order an addition to the bill which would have protected employees during the transition to special employer status. Again I urge the minister, having not agreed to that amendment so it could be incorporated in the bill, to have a look at truly meeting the obligation of fairness to employees of the board, as he stated.

The member who spoke previously said that this will save money. In fact it will cost $26 million and there has been no cost benefit study done, so he has no way of knowing whether it will save money or whether it will cost more money. It will definitely cost more money to hire employees. The board will have to pay up to $15,000 extra for many of their employees to compete with the market in Calgary, and that is the reason for applying for special employer status.

I would encourage the member to stick to the facts, to withdraw any suggestion that he knows this will save money, when he knows no such thing. In fact, the cost is $26 million, some of which will be paid by the industry. However, as the member has said, that portion will end up on the oil, gas or coal bill of every consumer in Canada.

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I would just like to say, first of all, that I share the concerns of the member for Ottawa West. Second, I have nothing significant to add to the remarks I made at second reading or to the remarks made by my colleague, the member for Nanaimo—Cowichan at second reading. The concerns we have for the employees of the board stand. However, on balance we support the bill.

Having noted that, I would like in the interest of fairness and balance to seek the unanimous consent of the House to turn my remaining time over to the member for Hull—Aylmer so that he may speak about the effect of the move on his constituents.

• (1950)

The Acting Speaker (Mr. DeBlois): I understand the hon. member. Does the House give its unanimous consent to hear the member of the Bloc Quebecois?

Some hon. members: No.

[*Translation*]

Mr. Bellemare: Mr. Speaker, I am glad to have this opportunity to speak today on Bill C-2, an Act to amend the National Energy Board Act, a government bill to move the National Energy Board from Ottawa to Calgary.

I think it is absolutely abominable, Mr. Speaker, that the government should want to transfer anything out of the National Capital Region, all the way across the country. Especially not these days. Today, we have heard the President of Treasury Board announce that he does not want to hear about salary increases for public servants unless they are at 3 per cent at the most.

Mr. Gérin: Mr. Speaker, I rise on a point of order to ask you to enforce the Rules of this House. We find it very hard to hear the excellent speaker, the hon. member because our colleagues on the other side are chatting right and left and their voices cover almost everything else. From my place, all I can hear is their murmur.

The Acting Speaker (Mr. DeBlois): I can tell the hon. member that I hear voices from both sides of the house while he is speaking.

I recognize the hon. member for Carleton—Gloucester again.

Mr. Bellemare: Mr. Speaker, I appreciate the kind.

Mr. Rocheleau: Mr. Speaker, if I am not mistaken, the hon. members of this House are supposed to remain in their respective places.

An hon. member: Only for the votes.

The Acting Speaker (Mr. DeBlois): What the hon. member means is that members of this House can only speak from their place in the House. But the Rules of the House provide nothing on the matter as far as other periods are concerned.

So, the hon. member for Carleton—Gloucester has the floor.

Mr. Bellemare: Again, Mr. Speaker, I thank you and I also thank my colleagues of the Bloc Quebecois who are kind enough to want to hear what I have to say. They really believe that the government is wrong in presenting this bill. I would like for them to do me the courtesy of listening to me for at least a few minutes and not interrupt me for the fourth or fifth time.

They could try. Mr. Speaker, the President of the Treasury Board announced today that salary negotiations were now over as far as he was concerned and that, contrary to what had been said, the maximum raise public servants can expect in not 3 per cent but 0 per cent.

Now, public servants will have to accept a 0 per cent maximum raise this year so that none of them is laid off. Mr. Speaker, he gave as an excuse the yearly big deficits but especially the huge and disastrous national debt which is now nearing $400 billion. A few hours later, the governement was trying hastily to spend a lot of money to transfer an entire government unit to Calgary.

I am clearly under the impression, Mr. Speaker, that the government has not moved in this case by reasons of efficiency and efficacy but strictly by political reasons. It is evident when talking with government members who do not represent the Capital Region, and sometimes I ask myself if they care for it, if they would rather transfer every good public servant to be found in the capital anywhere else in Canada. The government members give everyone the impression that all the public servants are to be found in Ottawa. Rarely have I met a member who knows that less than a third of the federal public servants live or work in this region. So that means that more than two thirds work elsewhere in Canada. There is a report on the Public Service.

[*English*]

"Key statistics on Federal Public Service Work Force, 1990"

[*Translation*]

And this tells us that, in 1990, all these 218,328 employees were proportionally distributed according to the population of each province. I note the province of Alberta which has 6.1 per cent of the public service work force. I notice here that the province of Quebec has 14 per cent and Ontario 16 per cent to be added to a third already in the capital region, divided between Hull and Ottawa.

In the discussions with the Public Service, we are also reminded that they are trying to reach a proportion which would be fair for women, men and visible minorities. Two hundred and seventy-three civil servants will be asked to leave the national capital region, Mr. Speaker. I am wondering what for. Thirty per cent of these civil servants are French-speaking people who live either on the Quebec or on the Ontario side. These families will now be forced to live in Calgary, a wonderful place which is extremely friendly, I have been there. I know some people and I have friends who work there. However, the majority of the people who work in Calgary—I would even say practically everybody at the present time—are people who really want to live in Calgary and make it their home. But presently, some families are going to be torn apart.

Several civil servants belong to families where both husband and wife are working. They both work to pay for their home, their mortgage and all the family related expenses. What protection is the government going to offer in the case an employee who is moved to Calgary if his or her spouse cannot find a job? What protection? None. In the case of children, are there any French schools? I am told that yes, there are some. As we know very well, here in the National Capital area, some people prefer either the Quebec school system or the Ontario school system. Only on the Ontario side, there is a choice between French public schools and French Catholic schools. Is there such a choice over there? What about the choice of doctors for example, when people are used to having a family doctor? Will French-speaking families enjoy health services in French? Will they have access to professional legal services in French? Will they have a French community centre? Will they be able to live in French, if they want to?

Families will be torn apart, Mr. Speaker. For all the 273 families that will have to be transferred, there are young people who are 16 to 21 years old and do not want to leave the area they live in, the house they live in; as a former educator, I am sure many of those young men and women will want to stay in the National Capital area, and this will tear families apart.

• (2000)

Mr. Speaker, I repeat that it does not make sense to move the National Energy Board to Alberta even if 80 per cent of all oil and gas activity takes place there. It is easy to forget about activities related to electric power elsewhere and other energy products the National Energy Board has to deal with.

Another impact of the move, Mr. Speaker, will be considerable travel costs between Calgary and Ottawa because the National Energy Board officers will have to come here for meetings with directors, administrators and ministers responsible like the energy minister. I tell you they will end up with two head offices in no time.

Thank you, Mr. Speaker.

[*English*]

Mr. Harvey (Edmonton East): Mr. Speaker, I rise on a point of order.

In putting the bill now before us you noted that the agreed upon allotment was a 10-minute speech by a member of the government, two 10-minute speeches by members of the Official Opposition, and a 10-minute speech by the New Democrat opposition.

That 10-minute speech by a New Democrat opposition member has not been made. I spoke for two minute at the most.

An hon. member: It was the best speech of your life.

Mr. Harvey (Edmonton East): Why, thank you. I would like, therefore, to seek unanimous consent of the House to allot the remaining time from that New Democrat allotment to the hon. member for Hull—Aylmer, that he may voice the concerns of his constituents in this regard.

[*Translation*]

Mr. Hawkes: Members of the government agree.

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I want to thank the hon. member for Edmonton-East, from the New Democratic Party, for giving up a few minutes of his time to allow me to support the federal civil servants in the National Capital Region, on the Quebec side.

Mr. Speaker, as we can see tonight, a lot of bills are being pushed through at the end of this session, without Canadians, especially in the National Capital, being aware of them.

Mr. Speaker, under Bill C–2, almost 300 employees of the National Energy Board will be relocated to Calgary, and they either take it or leave it. As stipulated in the bill, Mr. Speaker, from now on, these civil servants will have to reside in, or within a reasonable commuting distance of Calgary.

Mr. Speaker, for several months now, we have seen civil servants leaving the National Capital Region, and especially the Outaouais, for various parts of the world.

Mr. Speaker, if that is the kind of decentralization the government has to offer to the provinces, if that is the kind of decentralization which is supposed to satisfy Quebec, and all Quebecers, we do not want any of it! Within the National Capital Region, on the Quebec side, there are 26,000 civil servants. A few hours ago, we took away their job security, Mr. Speaker. A few hours ago, we gave the President of the Treasury Board the right to eliminate the persons–years principle, and authorized managers to transfer employees.

Mr. Speaker, how many of these measures will the government apply from now on, and who will get hurt? The federal civil servants, that's who. In closing, I want to say that this is an intolerable situation for the Outaouais and all of Quebec. If that is how you intend to ensure national unity, Mr. Speaker, I feel very sorry for you. Mr. Speaker, the president of the Treasury Board mentioned earlier that he would most likely pass a bill if civil servants decide to go on strike when the timing is right. This is a decision they already made. What did the minister tell us tonight? That he would pass a bill precluding any strike in the public service.

Mr. Speaker, this a shameful dictatorial attitude towards federal civil servants. This a totally unacceptable way to deal with those civil servants. I have to speak for my fellow citizens in the Outaouais Quebecois, because none of the 67 Quebec members of the government said a single word tonight to protect a single job in this area. This is the kind of government we have. It reminds me a bit of Christmas Eve, when you open presents under the Christmas tree. The only difference is that there is no gift for the Outaouais Quebecois. They are transferring employees one by one, and these will soon be discharged. That is the way you deal with your civil servants.

Mr. Speaker, never in the history of Canada did a government trample on his employees the way this government does. There are 26,000 public servants in Quebec who are worried because they think Quebec will become a sovereign State in 1992 because Quebec is not satisfied with federal propositions after the Meech Lake rejection. Mr. Speaker those same public servants who clung to employment security with the federal government just lost that security tonight. I say this to the public servants on the Quebec side of the Outaouais and also to those on the Ontario side of the National Capital area, because the whole area will be affected by that move. It is not only the people from the Outaouais who will lose their jobs, but also people from Ottawa, Nepean, Gloucester and Carleton, people from Buckingham, Aylmer and Hull, people from all over the National Capital area.

I see those whited sepulchres opposite looking at us and laughing as if it were funny to cut jobs here and transfer them to the riding of the Chief Whip of the Government of Canada. Yes, Mr. Speaker, this is another hard blow. After getting involved in education in Quebec, in professional training, in regional development, today they are depriving us of our jobs on both sides of the Ottawa area.

Mr. Speaker, nearly 300 employees will have to move to Calgary, and but the worst of it is that Canadians who have been asked to tighten their belt will now have almost $30 million for unfairly transfering those public servants who are now working here. If they do not want to go, they will get kicked out. A little pay cheque and then out.

Mr. Speaker, I find that absolutely ridiculous.

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

The Acting Speaker (Mr. DeBlois): The hon. member for Saint–Maurice is rising on a point of order.

Mr. Pronovost: Mr. Speaker, the hon. member for Hull—Aylmer has really taken off on a flight of oratory, but before we have a work accident in this House, I would invite him to remove from his jacket the knife from the parliamentary restaurant and the fork that everybody can see—

Mr. Rocheleau: Mr. Speaker, I did have a knife. It is the knife the Conservatives use to cut jobs in the Outaouais. That is the knife, Mr. Speaker, and here is the gag that the Conservatives stuffed in our mouths tonight in this House.

• (2010)

Mr. Speaker, in closing, I will ask the House of Commons, I will ask all members who are here, even though, unfortunately, there are not many, if empty seats could talk, they would not say a word.

The Acting Speaker (Mr. DeBlois): Pursuant to the order of Tuesday June 18, 1991, it is my duty to interrupt the proceedings and forthwith put all questions necessary to dispose of the report stage and third reading of Bill C-2, An Act to amend the National Energy Board Act.

Is it the pleasure of the House to adopt the motion on the bill at the report stage?

Some hon. members: Yea.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): On a point of order, the hon. member for Shefford.

Mr. Gérin: It is Mégantic—Compton—Stanstead, Mr. Speaker, but it is a neighbouring riding, a very scenic rural riding in Quebec.

Mr. Speaker, I note that there was a minister to move the motion, but that there was none to second it. Therefore, I think that we should simply reject this bill.

The Acting Speaker (Mr. DeBlois): Canadians are getting a course on the rules of the House, this evening. I remind the House that it is not necessary for such a motion to be seconded by a minister.

I ask the question again. Is it the pleasure of the House to adopt the motion?

Some hon. members: Yea.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

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

[*English*]

Mr. Hawkes: Mr. Speaker, I would like to see this vote deferred until 9.45 p.m.

[*Translation*]

Mr. Lapierre: Mr. Speaker, all day you have reminded us how important are the motions carried last night.

The Acting Speaker (Mr. DeBlois): I remind the hon. members that Standing Order 45(5)*a*) authorizes the government whip to request that the division be deferred. I am only following the Standing Orders.

Therefore, at the request of the whip, I defer the division until 9:45 p.m. On a point of order, the hon. member for Mégantic—Compton—Stanstead.

Mr. Gérin: Mr. Speaker, I want to appeal your decision and ask that the question be put forwith, in accordance to the order that was carried in secret last night.

The Acting Speaker (Mr. DeBlois): I have two comments to make. First of all, nothing was done in secret, and I want to say to the people who are watching us on T.V. that the proceedings of the House of Commons are public, that they take place in front of the T.V. cameras, *d'un océan à l'autre.*

Moreover, the question was put forthwith. You have to understand that it is the recorded division that was deferred. But the question was put and, in accordance with the Standing Orders, I have no other choice but to defer the division until 9.45 p.m., as requested by the whip.

[*English*]

Mr. Riis: Mr. Speaker, I rise on a point of order. I think you will find there have been discussions among the parties and that there is unanimous consent to permit me to introduce a private member's bill regarding a National Solidarity Day for the First Nations of Canada.

Some hon. members: agreed.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL SOLIDARITY DAY FOR THE FIRST NATIONS ACT

MEASURE TO ENACT

Mr. Nelson A. Riis (Kamloops): moved for leave to introduce Bill C-268, an act respecting a National Solidarity Day for the First Nations of Canada.

He said: Mr. Speaker, let me take this occasion to thank all of my colleagues for this generosity. I am simply requesting that a bill be introduced and read a first time. It is called, an act respecting a National Solidarity Day for the First Nations of Canada.

It says: "Throughout Canada, in each and every year, June 21 shall be known under the name of Aboriginal Solidarity Day". I will consider this to be first reading of this bill.

I do not seek time for further discussion, but as the clerks are looking for the bill at this unexpected time for introducing private members' bills, may I just ask the members present, if it be appropriate, that we simply deem to have read the bill a first time.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. So that there is no misunderstanding later on, the chief government Whip has asked that the vote be postponed to 9.45 p.m. He has just asked for another vote to take place at 9.45 p.m. I think he should revise what he just said to make sure that we do not have a debate on which vote will take place at 9.45 p.m.

He should tell us how you intend to proceed. You should make your wishes very clear to the House. It is regular, but I want to make sure that we do not have a useless debate when we arrive to vote.

Mr. Hawkes: Mr. Speaker, the most common practice of the House with a deferral is that the first deferral would be the first item voted on. If there is a second deferral at the same time, it would be the second item, and so on. The series would be in that form.

The bill we just completed would be the second item in terms of report on third reading. The first deferral would be the first set of votes.

I thank the member for raising it because it is an important instruction to members. Some members may want to vote on some of these items and others may want to vote on other items.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The Chair has taken note of the interventions from both sides, and we will proceed with the successive votes on the various bills at 9.45 p.m.

GOVERNMENT ORDERS

[*English*]

EXPORT AND IMPORT PERMITS ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-6, an act respecting the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons, as reported with amendments.

The Acting Speaker (Mr. DeBlois): Pursuant to the order made Tuesday, June 18, 1991, the Chair will allow 30 minutes of debate at report stage and 30 minutes of debate at third reading, following which the Chair will put forthwith all questions necessary to dispose of third reading of said bill.

Mr. John Brewin (Victoria): Mr. Speaker, I am pleased to participate in debate at report stage.

I would like to begin by putting on the floor two amendments. I would like to move these two amendments pursuant to the motion passed last night.

• (2020)

Perhaps I can read them into the record. I move:

Motion No. 1

That Bill C-6 be amended in clause 2 by adding immediately after line 5, at page 2, the following:

"4.2 The Governor in Council shall not establish an Automatic Firearms Country Control List, or re-establish, amend or vary such a list so as to add a country to that list until

(A) the Minister has tabled in the House of Commons a certificate in respect of any country to be included in or added to an Automatic Firearms Country Control List stating that

(1) the country is reasonably required to be included or added to an Automatic Firearms Country Control List for purposes of Canada's national security;

(2) the inclusion or addition of the country in or to an Automatic Firearms Country Control List will enhance security in the region of that country;

(3) the country is not a country that is a threat to international peace and security;

(4) the country is not a country that is excessively armed; and

(5) the country is not a country using military armaments, or a country where there is a serious risk that such military armaments will be used to suppress human rights in breach of the United Nations Charter and the United Nations declarations and convention relating to such matters; and

(B) the inclusion or addition of a country referred to in paragraph (A) in or to an Automatic Firearms Country Control List has been approved by a resolution of the House of Commons."

Motion No. 2

That Bill C-6 be amended in Clause 3 by adding immediately after line 37, at page 2, the following:

"(C) a security impact assessment in respect of the export made by a committee of the House of Commons after the committee has conducted public hearings in respect of the export, concluding that the export will have a net positive security impact on Canada, has been tabled in the House of Commons".

I would so move both of these motions, seconded by the hon. member from Okanagan—Similkameen—Merritt. If I may pass them to the clerk, I will then perhaps address a few minutes of remarks to the motions.

[*Translation*]

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, I would ask you to rule the proposed amendments out of order because the motion was made last night between parties excluding, of course, the independent members who were not consulted. Today I understand the motion that was presented, I was not allowed to speak to the motion or the amendment, despite the fact that it is new. There was no way to know even, this morning or last night. So either the order is changed and I am allowed to take the floor to defend the interest of my constituents, or you reject the amendments as such.

[*English*]

Mr. Hawkes: Mr. Speaker, this motion was deliberately worded to allow 30 minutes. If the member would like to speak to the amendments, I think those who would like could shorten up a little to make sure that there is adequate time to respond to the amendments.

The government has no intention, unless there is time left over, of using any of the time that it might normally claim.

Mr. Kindy: Mr. Speaker, I am wondering what the chief government Whip is saying. Are there two standards? There was a government order that only government members and opposition members would be able to speak, and suddenly he is changing that order and there was not unanimous consent.

Could you make it clear to me, please, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. DeBlois): I want to be very clear. It is said in the *Votes and Proceedings*, that there were 30 minutes for the debate at the report stage and 30 minutes of debate at third reading. There is no other restriction. So any member can take the floor during the 30 minute period.

[*English*]

Mr. Brewin: Mr. Speaker, on that basis perhaps we can then proceed to debate the two motions that are on the floor.

The two motions deal with the following points. There are really three points embodied in the two motions. The first important point is that the first amendment would provide that the government will be bound by very specific criteria when it comes to consider adding countries to the Automatic Firearms Country Control List. Bill C-6 gives to the Governor in Council the right to establish an Automatic Firearms Country Control List, the result of which is that automatic firearms can then be exported to that country.

There is in place now a government policy that covers export permits in respect of weapons and military goods. The government has said in committee—and the hon. Minister for International Trade said it in committee—that the government would be bound by the policy which has been established by the government in deciding whether or not it is going to permit the export of automatic weapons. As well, the minister gave some very express words to the committee as to the policy that he or the government will follow in respect of adding countries to the list.

This amendment embodies precisely the requirements that the government says it will be bound by. Rather than leave it to the government, this amendment would have Parliament control the criteria applicable to adding countries to the list. The great significance of this is that we have here a very critical national policy as to whether we are going to get into the arms trade business with countries outside NATO and countries with which we have traditionally traded arms.

Saudi Arabia is the first in a slippery slope. There is a risk that governments will be tempted, for industrial policy reasons, to begin trading with Indonesia, South Korea, the Philippines, South Africa, who knows what countries, in the interests of furthering the industrial concerns of various constituencies. These criteria will prevent a government from changing, at whim, the policies that it wishes to follows, and we call on the government to consent and agree to that.

The second part of the amendment imposes a requirement that the list be approved by the House of Commons, that the list be made public and open to public debate. It would seem to me that the reasons for that are self-evident, because of what the government calls an anomaly in the Criminal Code. The government is being forced out in the open to debate the sale of light armoured vehicles, with automatic weapons attached, to Saudi Arabia. That debate has been very valuable, as we will see shortly. It is critically important, as a matter of public policy, that whenever the Automatic Firearms Country Control List is established, whenever countries are added to it, that that be a matter of public debate in this House and subject to the approval of the House.

The final point, and I will finish now, is that the amendment will require that before an export permit for prohibited weapons is issued, there will be a security impact assessment by a committee of the House of Commons. Again that is self-evident, similar to an environmental impact assessment. We believe that no sales of firearms or other weapons should take place around the world unless it is in the security interests of Canada.

It cannot be merely for the industrial interests of Canada. It must be for the security interests of Canada and consistent with those security interests. The idea of a security impact assessment was put to our legislative committee by Ernie Regehr of Project Ploughshares. It is a fine idea, one which is incorporated in this amendment, as are the other amendments. I would urge the House to adopt these policies.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The two motions presented by Mr. Brewin and seconded by Mr. Hovdebo will be debated together and voted on separately.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, these two amendments to Bill C-6 are substantially the same as two amendments which I presented to the bill while the bill was in committee, although I must say that my amendments were better drafted and more comprehensive. Nevertheless these amendments have substantially the same content and therefore I would support them.

• (2030)

Let me go on to say that these amendments, as well as the amendments I put forward in committee, are similar. The first amendment is similar to the government's policy on these questions, not legislation, but to its expressed policy.

Why then are we attempting to put the government's policy into legislation? The reason we are trying to do this, and the reason the hon. member is trying to do this, is that as the legislation is written it is too wide open. Through the legislation alone the government could in fact sell to a number of countries that many of us would not approve of.

For example, the legislation as written says that the government can sell these automatic firearms to any country that is on the Automatic Firearms Country Control List. It says that only those countries with which the government has an agreement for defence, research, development and production, can go on that list. At the present time, the government has 10 such agreements. Nine of the agreements are with NATO countries and the tenth one is with Sweden. At the present time, the government can only sell these automatic firearms to those 10 countries, but not necessarily to those 10 countries.

The problem is that the government can conclude further agreements on defence research and so on with countries and there are no guidelines, no criteria to stop it from developing, let us say, from concluding agreements with countries all around the world, some of whom are involved in conflict, some of whom have serious human rights violations.

The government has a policy—it is not in this legislation—that it will not sell arms or that it will consider very seriously selling arms to countries that are involved in conflict, either international or internal conflict, or it will consider very seriously selling arms to countries that have serious human rights violations.

We think these are good policy criteria, but we want those policy criteria included in the legislation. That is what I attempted to do in committee, and it was defeated by the government members. Now the hon. member is attempting to do the same thing at report stage. I think that is a good thing.

The response of the government, when we tried to do that in committee, was that this would make it too inflexible for the government. We say that is correct. It will make it too inflexible for the government. Why should the government suddenly want to change its own guidelines which are sound? Why, for example, would the government want to sell weapons to a country where there are serious human rights violations? Why would the government want to change the policy and sell arms to a country that is involved in conflict, either internally or internationally, where the security of Canada is not involved? Why would the government want to sell arms to a country where the United Nations has imposed sanctions, such as South Africa?

We are saying if the government takes these guidelines seriously, and they are sound, then they should not be subject simply to ministerial change in a cabinet room. We are saying that these guidelines are so sound and so reasonable that they should be put in the legislation.

That is what my hon. friend is trying to do. They are not expressed exactly in the same way, but they are substantially the same as the government's policy guidelines. He is putting them in the legislation and, yes, they will make it more inflexible. The government will not be able to change them unless they come back to the House of Commons and seek an amendment. We think that is a good thing, because it puts the control of these very important matters, that is, to whom we sell arms, in the hands of parliamentarians and not simply the cabinet.

The other reason why it is important to put these guidelines in the legislation is because if they are broken, or if they are interpreted too widely, then a citizen can go to court and seek an injunction saying: "You are breaking the legislative guidelines".

If the guidelines simply are left in a policy document as expressed by the government, by the minister, and they are interpreted too broadly or too loosely or even violated, there is no way anyone can go to court and say to the judge that the government is breaking the guidelines because they are not law. What the hon. member is doing is putting these guidelines into law, and we support that.

One might ask again, why we want to do this at this time when they have been in policy documents for years and years and that has been more or less satisfactory. We want to do it now because there is a new commitment to stopping the sale of arms to countries with serious human rights abuses or who are involved in conflict.

During the Iraq-Kuwait war, the world was outraged by the fact that 95 per cent of the armaments held by Iraq were sold to Iraq by the five permanent members of the Security Council. The Prime Minister of Canada, and rightly so, said he was outraged at that and called for a world summit to control the arms trade. That was seconded by the former Secretary of State for External Affairs, who said that it was very bad that the world should be selling arms to a country like Iraq, especially in such great numbers, and that we must do something about it.

We agree with the government. We agree with the Prime Minister. We agree with the former Minister for External Affairs that something more substantial should be done. What we are suggesting, and I support the hon. member, is that we put these guidelines into law and I hope the House will accept that.

[*Translation*]

Mr. François Gérin (Mégantic—Compton—Stanstead): Mr. Speaker, I am glad to see that the right to speak is given back to independent members and that the government is beginning to realize that, after all, democracy is what is best in the world. The government presents today a bill forbidding the sale of Canadian arms to countries where democracy is really not what it should be, to countries where Canadian arms could be used to infringe on human rights. But what happened in this House in the middle of the night, Mr. Speaker? The House passed motions secretly, so to speak, after independent members were led to believe that it was all over and that everybody could go to bed at eleven o'clock after they had spent 12 hours in a row in this House. All of sudden, at eleven o'clock, 15 very important motions were passed without any debate. Mr. Speaker, those motions made it clear that no independent member, no

member of the Bloc Quebecois would have the opportunity to speak. If that is what the new Canada is all about, I think that we should—

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

The Acting Speaker (Mr. DeBlois): Order. The hon. member for Saint-Maurice is rising on a point of order.

Mr. Pronovost: Mr. Speaker, we have before us a very specific motion that was submitted to the members of the House of Commons, but the hon. member for Mégantic—Compton—Stanstead is talking about an entirely different subject. He is talking about what happened last night, and I think you should call him to order immediately so that he can talk about the motions before the House, since he wants to exercise his democratic right to express himself as a parliamentarian. Now that the House has allowed him to do that, I wish he would do it properly for once.

Mr. Gérin: Mr. Speaker, this same government which had sold arms to Iraq when Iraq was our friend found itself in a tight spot when the president of Iraq turned against the western world, since we had to declare war. The government knifed independent members of this House in the back last night, and I think there is an interesting and important parallel to be made here. We simply should not allow the exporting of arms to countries that could use them to violate human rights, to repress people, to build an arsenal, and suddenly find out that, we have to spend billions and billions of dollars to try to take those arms away from them.

Think about what happened in Iraq. How much did that war cost the free world? The Iraqi people were fighting with weapons those same countries, not only Canada, but also the United States, France, and Great Britain sold them, when they were considered a friendly country, fighting against Iran. That is making fun of us! There is a parallel to be made here between the tragedy which happened at the École Polytechnique and these weapons. If these weapons are made in Canada, if we have research and development done in that area, if we allow such weapons in our country and authorize their exportation, then we are more likely to have dangerous people firing crazily at innocent victims, as we have seen in Montreal, Quebec.

• (2040)

Therefore, Mr. Speaker, I want the government to get serious. You have heard some interesting speakers. There is no substantial policy, and I know the hon. member for Saint-Hubert is knowledgeable in that area, there is no substantial policy in this bill. It will give us great pleasure to defeat it in a little while.

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

Some hon. members: Question!

The Acting Speaker (Mr. DeBlois): The question is on the motion standing in the name of Mr. Brewin. Shall I dispense with the reading of the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

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

[*English*]

Mr. Hawkes: Mr. Speaker, this is an unanticipated result, but I think the solution for the House is to defer this vote as well until 9.45 p.m.

[*Translation*]

The Acting Speaker (Mr. DeBlois): According to the Standing Orders and according to the request of the Government Whip, the division on the question stands deferred until 9.45 p.m. when the divisions will be taken *seriatim*, that is successively after the previous bills will have been disposed of.

[*English*]

Mr. Angus: Mr. Speaker, as the House knows, a motion was passed last evening which provided for 30 minutes of debate at report stage and another 30 minutes at third reading. I am wondering if the House would give consent to allow the debate on third reading to continue at this time and then we will put the question later.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I think the Chair has no other choice since it was specified in the order found in the *Votes and Proceedings*. We have just concluded the thirty minutes or so of debate at report stage and we must now proceed to third reading, if I understand the order correctly.

[*English*]

Mr. Hawkes: The normal practice at report stage is to hear the yeas and nays for each proposed amendment and to do that in sequence with the debate to take place on each amendment. We have in fact disposed of the first amendment. There is a second one on the floor. We would have no objection to members spending 30 minutes on the second amendment if that were the will of the House.

[*Translation*]

The Acting Speaker (Mr. DeBlois): So I had a little distraction. Of course, before we proceed to third reading, we have to dispose of the bill at report stage, and that cannot be done until the recorded vote is taken at 9.45 p.m., after all other motions have been disposed of.

So, to be very clear, a motion was presented a few minutes ago asking unanimous consent of the House to proceed to third reading stage.

[*English*]

Does the House give its unanimous to go to third reading?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. DeBlois): There is no unanimous consent.

Mr. Hawkes: Mr. Speaker, given the situation we are in with the motions that have been passed, it would be in the House's best interests if we suspend to the call of the Chair at 9.45 p.m. at which time the bell would sound to call in the members.

Mr. Kilgour: Mr. Speaker, I rise on a point of order. There is member of the Whip's own party who wishes to speak on an adjournment debate. It is a four-minute speech. There will be a gap of time before the votes.

If the member for Mégantic—Compton—Stanstead is prepared to give consent for the members of the Bloc Quebecois, it would be in the interests of all of us since we are here until 9.45 p.m. anyway to permit that member to speak on the adjournment debate.

I would appeal to the Whip to be reasonable to one of his own members.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I tend to be reasonable at all times to all members. I hope that is my reputation.

The government would have absolutely no objection to any member of the House who feels dissatisfied with any of the questions they have asked making some comments. Perhaps we could start on a priority basis with those who were on last night's list and lost their opportunity at that stage to have their late show privilege of four minutes. On any side of the House, if there are members in that position, we would have no objection to use the time between now and the time of the votes in that way.

This House is the bastion of freedom of speech in this country. We would like to see consent from all sides of the House to continue the debate on this important piece of legislation. In the absence of that, we would be quite happy to have the late show for as long as it takes.

[*Translation*]

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

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, we will not be able to vote in favour of the government bills, because of the major blow dealt to democracy. However, members do have rights, even though they are not the same as those of the government. That is why I think we should allow members to ask questions, which we could have done yesterday, that is, of course, if there are people on the government side who can answer, but then I would be very surprised if there were.

The Acting Speaker (Mr. DeBlois): Since we do not have unanimous consent on the motion presented by the hon. member for Edmonton South East, I will recognize the hon. member for Markham—Whitchurch—Stouffville.

[*English*]

Mr. Attewell: Mr. Speaker, I was one of the individuals originally scheduled to speak. I think I was second last night for the adjournment debate.

Some hon. members: Oh, oh.

The Acting Speaker (Mr. DeBlois): I will listen to you after the hon. member.

Mr. Attewell: Mr. Speaker, to continue, I was one of the members last night. I think there were five of us in total. Of course, when extended hours happened last night automatically the adjournment debate was killed. I would really appreciate the co-operation of the House to have the adjournment debate tonight. I am speaking further to a question about the need for pornography legislation. It would be for four minutes and, if there is a parliamentary secretary, there would be a reply. There may be one or two Liberals who were scheduled last night as well. It is time that is not going to be used for any other purpose, and I would really hope that I could get consent of this House to proceed with that.

• (2050)

Mr. Kindy: Mr. Speaker, I do not give unanimous consent to this request.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The matter is settled. There is no consent and I will suspend the sitting until 9.45 p.m., when the question will be put on several bills.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Why should we suspend the sitting, Mr. Speaker? I live 350 kilometres from here and my constituents expect me to be in this House to participate in the proceedings—

The Acting Speaker (Mr. DeBlois): Order. I suspend the sitting because there is no unanimous consent to proceed. The sitting is suspended until 9.45 p.m.

[*English*]

SITTING RESUMED

The House resumed at 9.45 p.m.

* * *

[*Translation*]

PROCEEDS OF CRIME (MONEY LAUNDERING) ACT

MEASURE TO ENACT

Mr. Speaker: It being 9.45 p.m., the House will now proceed to the taking of the deferred division on the sub-amendment of Mr. Kempling at report stage of Bill C-9, An Act to facilitate combatting the laundering of proceeds of crime.

Call in the members.

• (2200)

[*English*]

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

(*Division No. 27*)

YEAS

Members

Allmand	Althouse
Anderson	Andre
Angus	Arseneault
Atkinson	Attewell
Axworthy (Saskatoon—Clark's Crossing)	Baker
Beatty	Bellemare

Belsher	Benjamin
Berger	Bernier
Bevilacqua	Bjornson
Black	Blaikie
Blais	Blenkarn
Blondin	Bosley
Boyer	Breaugh
Brewin	Brightwell
Browes	Cardiff
Casey	Chadwick
Champagne (Champlain)	Chartrand
Clancy	Clark (Yellowhead)
Clark (Brandon—Souris)	Cole
Comuzzi	Cooper
Corbeil	Côté
Couture	Crosby (Halifax West)
Darling	Della Noce
Dick	Dingwall
Dobbie	Domm
Dorin	Duhamel
Duplessis	Edmonston
Epp	Fee
Feltham	Ferland
Flis	Fontaine
Fontana	Foster
Fretz	Friesen
Gagliano	Gérin
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Gustafson	Harvey (Chicoutimi)
Harvey (Edmonton East)	Hawkes
Heap	Hockin
Hogue	Holtmann
Hopkins	Horner
Horning	Hovdebo
Hudon	Hunter
Jacques	James
Jelinek	Johnson
Joncas	Jourdenais
Kaplan	Kempling
Kilgour (Edmonton Southeast)	Kindy
Koury	Landry
Langan (Mission—Coquitlam)	Lapierre
Laporte	Larrivée
Layton	LeBlanc (Cape Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Lewis	Loiselle
Lopez	MacDonald (Rosedale)
MacDonald (Dartmouth)	MacDougall (Timiskaming)
MacKay	MacLellan
MacWilliam	Maheu
Malone	Manley
Marin	Martin (Lincoln)
Masse	Mazankowski
McCreath	McDermid
Mifflin	Milliken
Mitchell	Monteith
Moore	Nicholson
Nystrom	Oberle
O'Kurley	Ouellet
Peterson	Plourde
Porter	Pronovost
Proud	Prud'homme
Redway	Reid
Reimer	Ricard
Richardson	Riis
Robinson	Robitaille
Rocheleau	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Simmons	Sobeski
Soetens	Sparrow
Speller	Stevenson
Stupich	Tardif
Taylor	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Turner (Halton—Peel)
Vanclief	Van de Walle
Vézina	Vien
Wappel	Weiner
White	Whittaker
Wilbee	Wilson (Etobicoke Centre)
Winegard	Worthy
Young (Acadie—Bathurst)	Young (Beaches—Woodbine)—180

NAYS

Members

nil/aucun

PAIRED—MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion carried. The next question is on the amendment, as amended, standing in the name of Mr. Langdon.

On a point of order, the hon. Government Whip.

Mr. Hawkes: Mr. Speaker, I wonder if there is a predispostion in the Chamber to apply the vote just taken to this amendment.

An hon. member: No.

The Acting Speaker (Mr. DeBlois): Since there is not unanimous consent, we will proceed with the vote. Is it the pleasure of the House to adopt the amendment, as amended?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

(*Division No. 28*)

YEAS

Members

Anderson	Atkinson
Benjamin	Bjornson
Blaikie	Casey
Chadwick	Dingwall
Gérin	Johnson
Kindy	Koury

Lapierre	Larrivée
Leblanc (Longueuil)	Littlechild
Mitchell	Monteith
Nystrom	O'Kurley
Pronovost	Riis
Robitaille	Rocheleau
Schneider	Sobeski
Soetens	Stevenson
Thompson	Thorkelson
Turner (Halton—Peel)	Van de Walle
Vien	White
Wilbee—35	

NAYS

Members

nil/aucun

PAIRED—MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the amendment, as amended, carried.

• (2210)

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I would like to indicate my presence in the House during the vote.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C-9, an Act to facilitate combatting the laundering of proceeds of crime be concurred in at report stage, with an amendment.

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

Some hon. members: Yea.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The House divided on the motion (Mr. Loiselle), which was agreed to on the following division:

(*Division No. 29*)

YEAS

Members

Allmand	Angus
Arseneault	Baker
Clark (Brandon—Souris)	Cole
Dingwall	Dobbie
Duplessis	Gérin
Grey (Beaver River)	Harvey (Chicoutimi)
Holtmann	Hopkins
Horner	Hovdebo
Hudon	Jacques
James	Joncas
Jourdenais	Kaplan
Kempling	Kindy
Lapierre	Leblanc (Longueuil)
Lopez	Marin
McCreath	Nicholson
Plourde	Porter
Prud'homme	Reid
Ricard	Richardson
Robinson	Rocheleau
Saint-Julien	Tardif
Tremblay (Québec-Est)—41	

NAYS

Members

nil/aucun

PAIRED—MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Mr. Loiselle moved that the bill be read the third time and passed.

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

Some hon. members: Yea.

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The House divided on the motion (Mr. Loiselle), which was agreed to on the following division:

(*Division No. 30*)

YEAS

Members

Allmand	Arseneault
Atkinson	Axworthy (Saskatoon—Clark's Crossing)
Baker	Belsher
Bernier	Bevilacqua
Bjornson	Black
Boyer	Brightwell
Cardiff	Casey
Chadwick	Champagne (Champlain)
Chartrand	Cooper
Della Noce	Dingwall
Domm	Dorin
Edmonston	Edwards
Ferland	Fontaine
Fontana	Friesen
Gérin	Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)	Guilbault
Gustafson	Hopkins
Kaplan	Kindy
Langan (Mission—Coquitlam)	Lapierre
Layton	Leblanc (Longueuil)
MacDonald (Dartmouth)	MacDougall (Timiskaming)
MacWilliam	Maheu
Moore	Peterson
Prud'homme	Rocheleau
Saint-Julien	Shields
Simmons	Sparrow
Wappel	Worthy—54

NAYS

Members

nil/aucun

PAIRED—MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Mr. Prud'homme: Mr. Speaker, in spite of the fact that the end of the session is near, we should regain some common sense.

I do not think that this is the most sensible way to conduct our affairs. Mr. Speaker, you had, as is your duty, to call the votes. You asked for those who were in favour. There were yeas and there were nays. Therefore it was your duty, and you did it, to call the vote. So it is incomprehensible that the vote would be unanimous in many instances.

We know very well what is going on. But this is not the way to conduct, in my opinion—

• (2220)

[*English*]

I only say that as far as Marcel Prud'homme is concerned, I do not think it is the way to conduct our affairs. I understand it has been difficult since last night for a group, I will call them a party, it has been difficult for a political party but that is no reason. I will not participate in that kind of charade. If you call a vote, I will vote. I will let the others do what they want, but I know exactly what I will do. If you call for a vote, I will vote. If it is a unanimous vote, I do not understand why we are being asked to vote.

[*Translation*]

Mr. Lapierre: On the same point of order, Mr. Speaker. We have been prevented from speaking because of the motions of last night, but we will not be prevented from voting!

* * *

[*English*]

NATIONAL ENERGY BOARD ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Epp that Bill C-2, an act to amend the National Energy Board Act, be concurred in.

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

(*Division No. 31*)

YEAS

Members

Anderson	Arseneault
Atkinson	Baker
Belsher	Blais
Blenkarn	Breaugh
Brewin	Browes
Casey	Chadwick
Corbeil	Côté
Couture	Crosby (Halifax West)
Dick	Dingwall
Edwards	Fee
Feltham	Ferland
Fretz	Funk
Gray (Bonaventure—Îles-de-la-Madeleine)	Greene
Grey (Beaver River)	Guilbault
Harvey (Edmonton East)	Hawkes
Hockin	Hogue
Horning	Hunter
Johnson	Kaplan
Kilgour (Edmonton Southeast)	Kindy
Landry	Laporte
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Martin (Lincoln)	McCreath
McDermid	O'Kurley

Prud'homme	Reimer
Ricard	Richardson
Saint-Julien	Scott (Hamilton—Wentworth)
Shields	Sparrow
Stupich	Thacker
Thorkelson	Vien
Weiner	Wilbee
Winegard	Worthy—64

NAYS

Members

Gérin	Lapierre
Leblanc (Longueuil)	Rocheleau—4

PAIRED—MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I rise on a point of order. I want it on the record that despite the curtailed vote games that are being played this evening, I have been present for every vote, I will be present for every vote. Whether I am allowed to vote or not, I am here, and I want my people to know that.

[*Translation*]

Mr. Darryl Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I have been a member of this House for seven years, we are all Canadians, but I have never seen such a fiasco as this tonight. If we want to go on in that way, Mr. Speaker, my constituents of Bonaventure—Îles-de-la-Madeleine will know that I am ready to keep sitting in this House.

Mr. Gérin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member of Mégantic—Compton—Stanstead on a point of order.

Mr. Gérin: Mr. Speaker, this government has deprived us of our right to speak for two days to stand for Quebec.

[*English*]

Mr. Epp moved that the bill be read the third time and do pass.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

(*Division No. 32*)

YEAS

Members

Anderson	Andre
Arseneault	Baker
Beatty	Belsher
Bjornson	Bosley
Boyer	Casey
Chadwick	Chartrand
Clark (Yellowhead)	Clark (Brandon—Souris)
Cooper	Côté
Couture	Darling
Dingwall	Domm
Dorin	Edwards
Epp	Fee
Feltham	Ferland
Friesen	Funk
Greene	Grey (Beaver River)
Guilbault	Gustafson
Harvey (Edmonton East)	Hawkes
Hogue	Horning
Hunter	Jelinek
Johnson	Kaplan
Kilgour (Edmonton Southeast)	Kindy
Laporte	Layton
Lewis	Littlechild
Lopez	MacKay
Malone	McCreath
Oberle	O'Kurley
Porter	Prud'homme
Redway	Ricard
Richardson	Saint-Julien
Schneider	Scott (Hamilton—Wentworth)
Shields	Siddon
Sparrow	Thacker
Thompson	Thorkelson
Van de Walle	Vézina
Wilbee	Wilson (Etobicoke Centre)
Worthy—71	

NAYS

Members

Gérin	Lapierre
Leblanc (Longueuil)	Rocheleau—4

PAIRED MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

• (2230)

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

* * *

EXPORT AND IMPORT PERMITS ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-6, an act respecting the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons, and amendments Nos. 1 and 2 of Mr. Brewin.

The Acting Speaker (Mr. DeBlois): The question is on Motion No. 1 standing in the name of Mr. Brewin.. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

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

(*Division No. 33*)

YEAS

Members

Allmand	Althouse
Angus	Axworthy (Saskatoon—Clark's Crossing)
Baker	Benjamin
Blaikie	Breaugh
Brewin	Edmonston
Funk	Gérin
Harvey (Edmonton East)	Heap
Hicks	Hovdebo
Kaplan	Langan (Mission—Coquitlam)
Lapierre	Laporte
Leblanc (Longueuil)	Mitchell
Nystrom	Prud'homme
Riis	Robinson
Rocheleau	Stupich
Taylor	Whittaker—30

NAYS

Members

Andre	Beatty
Belsher	Blais
Blenkarn	Bosley
Boyer	Brightwell
Browes	Cardiff
Champagne (Champlain)	Chartrand
Clark (Yellowhead)	Cooper
Corbeil	Crosby (Halifax West)
Darling	Della Noce
Dick	Domm
Dorin	Edwards
Epp	Ferland
Fontaine	Fretz
Friesen	Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault	Gustafson
Hawkes	Hockin
Jelinek	Landry
Layton	Lewis
Loiselle	MacDougall (Timiskaming)
MacKay	Malone
Martin (Lincoln)	McDermid
Moore	Oberle
Redway	Reimer
Scott (Hamilton—Wentworth)	Shields
Sparrow	Thacker
Vézina	Weiner
Wilson (Etobicoke Centre)	Winegard
Worthy—55	

PAIRED MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the amendment lost.

The Acting Speaker (Mr. DeBlois): The next question is on Motion No. 2 standing in the name of Mr. Brewin. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion, the nays have it.

And more than five members having risen:

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

(*Division No. 34*)

YEAS

Members

Allmand	Baker
Bellemare	Blaikie
Brewin	Catterall
Dingwall	Funk
Gérin	Heap
Hopkins	Hunter
Kaplan	Lapierre
Leblanc (Longueuil)	Pagtakhan
Prud'homme	Robinson
Rocheleau	Stupich
Taylor	Whittaker—22

NAYS

Members

Anderson	Bjornson
Casey	Chadwick
Cole	Côté
Couture	Dobbie
Duplessis	Fee
Feltham	Greene
Guilbault	Harvey (Chicoutimi)
Hogue	Holtmann
Horner	Horning
Hudon	Jacques
James	Johnson
Joncas	Jourdenais
Kempling	Lopez
Marin	Nicholson
Plourde	Porter
Ricard	Richardson
Scott (Hamilton—Wentworth)	Tardif
Tremblay (Québec-Est)—35	

PAIRED MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

[*Translation*]

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade) moved that the bill, as amended, be concurred in at the report stage.

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

All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. DeBlois): In my opinion the nays have it.

And more than five members having risen:

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

The House divided on the motion (Mr. Wilson), which was agreed to on the following division:

(*Division No. 35*)

YEAS

Members

Anderson	Andre
Atkinson	Beatty
Belsher	Bjornson
Blais	Blenkarn
Browes	Casey
Chadwick	Clark (Yellowhead)
Cole	Corbeil
Crosby (Halifax West)	Crosby (Halifax West)
Darling	Dick
Epp	Ferland
Fretz	Guilbault
Harvey (Chicoutimi)	Hawkes
Hockin	Hudon
Jelinek	Johnson
Kempling	Landry
Layton	Lewis
Littlechild	Loiselle
Lopez	MacKay
Malone	Martin (Lincoln)
McDermid	Nicholson
Oberle	Plourde
Porter	Redway
Reimer	Ricard
Schneider	Scott (Hamilton—Wentworth)
Shields	Sobeski
Soetens	Sparrow
Stevenson	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Turner (Halton—Peel)
Van de Walle	Vézina
Vien	Weiner
White	Wilbee
Wilson (Etobicoke Centre)	Winegard
Worthy—67	

NAYS

Members

Allmand	Althouse
Angus	Axworthy (Saskatoon—Clark's Crossing)
Baker	Benjamin
Black	Blaikie
Brewin	Dingwall
Edmonston	Funk
Gérin	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Hunter
Kaplan	Langan (Mission—Coquitlam)
Lapierre	Laporte
Leblanc (Longueuil)	Mitchell
Nystrom	Prud'homme
Riis	Robinson

Rocheleau	Stupich
Taylor	Whittaker—32

PAIRED—MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Bill, as amended, concurred in.

The Acting Speaker (Mr. DeBlois): Pursuant to order made Tuesday, June 18, 1991, a thirty-minute period is scheduled for third reading of the Bill.

[*English*]

Mr. Wilson (Etobicoke Centre) moved that the bill be read the third time and passed.

Mr. John Brewin (Victoria): Mr. Speaker, I trust that most of the members of the House will remain while I explain to them why they should vote against this bill on third reading. I am sure that they know the reasons why they should be against this bill. It is those opposite who should remain while we are doing this. Perhaps we could have a second while the House clears.

We have 30 minutes in which to address the issue of the fundamentals of this bill. What I would like to do is first of all set out the two fundamental reasons why our party is against this bill and will vote against it on third reading.

The first is fundamentally a matter of conscience. This bill will permit the sale of automatic weapons to any country in the world that the government deems fit to sell those—

[*Translation*]

The Acting Speaker (Mr. DeBlois): Order, please. I would ask the cooperation of both sides of the House. I would remind hon. members they are invited to a reception given by the Speaker at the usual place.

[*English*]

I recognize again the hon. member from Victoria.

Mr. Brewin: The minister of privatization or whatever it is, says he is going for a drink. That would probably help his understanding. The member chose to intervene in the debate. The minister chose to heckle during the debate. There is no order in that point. It seems to me that if the government members are interested in listening, I hope they will just learn a point of two from the observations we have to make.

This is one of the most important policy initiatives that is before the House in this part of the session. It represents a significant departure of Canadian policy which would permit the sale of automatic weapons to Saudi Arabia. That country has a very poor human rights record. It is in a region of the world which is sensitive, testy and has just come through one of the most difficult wars of this century. The people of that region are still paying the price.

The war that we have seen in the gulf is a war which both sides in this House can see was caused by the uncontrolled sale of arms by the western world to a region which did not need those arms. It seems to me that the first issue is an issue of conscience of all Canadians. I believe that Canadians find it very difficult to understand why it is that one of the first bills that this government introduces in this session is a bill to extend and expand the sale of arms after the eloquent statements which were made at the end of the gulf war.

As we went through this bill and through committee, I learned a thing or two about how the government works. It became very clear that instead of the conspiracy theory of operation it is the screw-up theory that really counts most of the time. This bill was an invention of the international trade side and those who are responsible for selling goods abroad. The export permit people in External Affairs and the trade minister are responsible for this bill, not the External Affairs minister who is responsible for disarmament and arms control, not the Prime Minister, but those who are responsible for industry.

The argument that is made in committee for this bill over and over again is the industrial argument. Here we have jobs. Here we have an industry. Let's sell them. Who cares what the purpose of the weapons are? Who cares that there are people who may be killed as a result of the sale of arms to Saudi Arabia? That is irrelevant.

• (2250)

We had an official from the minister's department who came before our committee and said that the only reason for this bill was industrial. There was no examination of the security reasons for this bill, there was no suggestion of the foreign policy reasons for this bill. What we had was simply a trade deal.

Surely, after everything that the world has seen in this century, the time has come to call a halt to arms sales. That is the first issue before the House.

The second issue is that this bill is flawed. The government has said over and over again that it complies with certain standards when it comes to the sale of arms. But its members refuse to agree to an amendment which would incorporate those standards in the legislation. The government has refused amendments which would require it to make the list of countries public to whom arms will be sold. It has refused those amendments. It has refused sunset clauses. It has refused to set out the reasons why we should be permitting sale of arms abroad. That is the second reason why we are against this bill.

The government was so anxious that this bill go through because there is at least one side of the government's head which understands that the defence industry is fundamentally a flawed industry. Around the world, the market for arms is fading. The third world can no longer afford arms. The market in the west is contracting. The cold war is over and investments which Liberal and Conservative governments have made in the arms industry are proving to be flawed investments.

An hon. member: Yes, hundreds of thousands of jobs.

Mr. Brewin: My Liberal friend here says "Hundreds of thousands of jobs". But it is jobs at the price of human lives.

An hon. member: Give me a break.

Mr. Brewin: He says, "Give me a break". They are making guns, they are making automatic guns which are going to be sold to a repressive regime in Saudi Arabia.

Out of all of this has come at least one ray of hope, and I would like to use the remaining couple of minutes to outline where that ray of hope is coming from.

Last night the government agreed at long last to a suggestion put before our committee by the Canadian Arms Control Centre, John Lamb and Project Ploughshares, that the time had come for a full public review of the export of arms by Canada, the defence production industry and policies of conversion from military uses to civilian uses. As a result of that agreement, tomorrow morning the external affairs committee will meet and will strike a special subcommittee, which will be authorized and agreed to by all sides of this House, to conduct that public inquiry.

An hon. member: Hear, hear.

Mr. Brewin: That public inquiry will have hearings not only in Ottawa, but outside of Ottawa. We will work in full co-operation with the citizens' inquiry that has been established by the Canadian Peace Alliance and involves groups from all across Canada. We will be working closely with that citizens' inquiry. Members on all sides of the House will work to try to understand that there must be a better way for Canadians to earn their living.

This morning I spoke to CAW Local 27 from the hon. Liberal member's riding. Its members asked for this bill to be passed. They disagree with our position that this bill should be defeated. But they said to me this morning that they, more than any other Canadians, want to earn their living doing something other than making arms. The time has come for members on all sides of this House to realize first, that this is a dying industry. This country cannot continue to go through the slippery slope of first selling to the Americans, then to the Europeans, then to countries like Saudi Arabia. Who will be next? Indonesia? South Korea? South Africa? If the government accedes, as it has in this case, to the argument of selling to Saudi Arabia, it will accede next year to an argument to sell to Indonesia or South Korea or to whatever other dictatorship wants arms from Canada because this is a dying industry.

The first thing the government has to realize and will realize is that there must be a change in how we earn a living.

Let me finish with this note. All Canadians want this Parliament to show some leadership in ending the arms race which has caused so much tragedy around the world. I believe that the agreement the government made last night to establish a public inquiry into Canadian policies in this area is a very important first step toward working out that kind of leadership for this country.

I am very pleased that the government has acceded to that. I am very hopeful that the subcommittee will do very useful work for Canadians and that finally, perhaps, we can turn the corner and Canada can truly realize its place in the world as a peacemaker.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I do not want to take long in this debate but I do want to put some perspective on what the hon. from the New Democratic Party has been saying.

To listen to him you would think that one of the major industries, one of the largest industries in this country was the arms industry. This is simply not the case. To listen to him you would expect that we were a major contributor to the build-up of arms in the Middle East which took place prior to the gulf crisis. That is simply not the case.

What I think is very clear is that we have in this legislation listened very carefully to the concerns that people have expressed about the importance of putting tight controls on any arms shipments. As we have moved into the area of the export of automatic weapons, we have been conscious of the fact that there is an anomaly which has prohibited the export of these arms, an anomaly in the Criminal Code which was not contemplated at the time the Criminal Code was changed in 1977. We are correcting that anomaly.

I think it is important to note that as we have corrected this anomaly, we have put a tighter set of export controls on the export of automatic weapons by providing for a country control list which will be very tightly controlled. There are very stringent requirements as to what type of country can be on that list. In addition to that, there will be a case by case review of every arms shipment that will be made that is subject to these restrictions.

There is a long history of control of weapons from this country. This government is not changing that history. It is not trying in any way to make any deviation from the standards and the traditions and values which have been expressed by Canadians during the course of many, many years. Those traditions will be honoured. Those values will be honoured in the administration of the control system that we have put in place.

I do want to make a comment on the statements made by the hon. member to the effect that we are ignoring the fact that there are certain countries, certain areas of the world which have been subject to excessive arms build-up. We are conscious of that.

The Prime Minister has spoken of that. The previous Secretary of State for External Affairs and the current Secretary of State for External Affairs have spoken to that. We have been at the forefront of encouraging nations, the major arms exporters, to put a more transparent system in place so that we can avoid, as a group of peace loving countries, these build-ups in arms.

I go back to what my friend from the New Democratic Party has said, that the workers of Diemaco or GM Diesel would like to have other jobs so that are not working for a companies that produce arms.

I think that if we lived in an idealistic world, in a utopian world, we could all say that is something we strive for. However, it is simply not a realistic thing that we can expect to achieve in the world we live in today. We have to have armed forces in this country and we have to arm those armed forces so that they can do their job.

• (2300)

Our level of requirement in this country is simply not sufficient to support domestic industries. What we have put forward in this legislation is a very tightly controlled means by which these companies, which have been suppliers to Canada, can also broaden their markets and supply to other countries and, by so doing, keep a viable arms industry within this country for our domestic needs as they are required. That is the simple basis on which we have allowed a very tightly controlled export, a process, a mechanism by which these arms can be exported to other countries.

If we are going to live in the real world, if we are going to recognize the reality as it is today, we must have some basis of supplying our own domestic needs. We must provide these companies with a basis whereby they can be viable enterprises or else we simply will not be able to have them supplying our needs and we will be totally reliant on the supplies from other countries. I do not think that is a sensible policy.

This is the basis on which we have gone forward. I have not heard much criticism of the mechanisms that we have put in place because they are among the tightest in the world today. It is on this basis that we present this legislation to the House.

As I said, we believe that it honours the traditions and values that Canadians have set forward, and we will continue to do so in the implementation of the policies that we have established.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, we are now debating the final stage in Bill C-6, which authorizes the sale of automatic firearms to other countries.

The minister, in the speech which he just gave, is pretending that this bill does not open up, to a greater extent, the sale of arms to other countries, but he says that it in fact places greater restrictions on the sale of arms. That is complete nonsense. This bill authorizes the sale of automatic firearms to other countries, firearms that, up until now, are not authorized to be sold to other countries.

This bill in fact authorizes a wider and greater sale of armaments to other countries at a time when the whole world, including the Prime Minister and the former Secretary of State for External Affairs and the present Secretary of State for External Affairs have said we should cut back on the sale of arms to other countries.

I just listened to the television news at 10 o'clock and at the CSCE meetings, which are taking place in Berlin, the present Secretary of State for External Affairs tried to convince the ministers of other countries that they should cut back the sale of arms to other countries. I could not believe what I was hearing since this bill is before this House tonight.

Let us read again what the Prime Minister said on February 8, 1991 in the midst of the Iraq-Kuwait war. He said: "One of the main lessons to be learned from this war is the danger to us all of the proliferation of both conventional and non-conventional weapons." He went on to say: "The major arms exporting firms and nations have contributed to the current crisis."—that is the Iraq-Kuwait crisis—"The greater majority of weapons in Iraq's arsenal come from suppliers in the countries of the five permanent members of the Security Council. This problem must be brought under control and the time to act is now." He went on to say: "Next week I will propose to the UN Secretary-General, Mr. Perez de Cuellar, that the United Nations convene a global summit on the instruments of war and weapons of mass destruction." That is the Prime Minister on February 8, 1991 only a few months ago.

What did the Secretary of State for External Affairs say? He said: "It is imperative that the world declare that there be no Middle East arms bazaar. Ninety-five per cent of the weapons in the hands of Saddam Hussein came from the five permanent members of the Security Council." He went on to say that he would call for a world summit to control the arms trade. There was such outrage at the time of the Iraq-Kuwait war at the fact that 95 per cent of Iraq's armaments came from the five permanent members of the Security Council, that the world said: "Let's do something about this". I thought they were serious. That was one of the few occasions I applauded the Prime Minister and the Secretary of State for External Affairs.

What do we get a few months later but a bill to authorize the sale from Canada of armaments that up until now had not been possible to sell. We opposed this bill at second reading because it was too open-ended. We can understand the sale of armaments to countries who are involved in collective security arrangements with us for defensive purposes or for peacekeeping. Consequently, I have no argument with the sale of these small arms to the Netherlands and to certain restricted countries. But this bill was too open-ended and lacked parliamentary control, too much control was in the hands of the cabinet and the minister.

At committee I proposed two amendments. One would have restricted the sale of arms in this bill to the very policy criteria that the government has in its policy statement on this matter. The government does have a policy statement on this matter. The problem is that it is not legislated, and if we take the words of the Prime Minister to heart, the words he said in February, and the words the former Secretary of State said in February, then we should make our rules a little bit tougher. We would make them a little bit tougher if we put the guidelines, if we put the policy principles they have in that policy statement, into law. That is what I tried to do in committee and it was defeated by the government members.

Tonight the hon. member for Victoria tried to do it again. He had more or less the same ideas in his amendments and it was defeated once again tonight.

The other thing we tried to do was provide for greater transparency in the sale of these arms within our own country. I had put forward an amendment stating that any addition to the list of eligible countries to which we could sell these armaments, each time an addition was proposed by the government, that matter would have to be referred to the standing committee on external affairs where the minister would have to go and justify the addition of this new country for the sale of arms. The committee would discuss it and vote on it and then send that back to the House.

This would put this very important matter, i.e. the sale of arms to other countries, not only in the hands of the back room of the cabinet but also into a committee of Parliament where it could be reviewed.

I recognize that the government has the majority on parliamentary committees and in this House so if it really wanted to ram through the sale of arms to a certain country it would be able to do so. Nevertheless, the Canadian public would see what is happening, and the government would have to come to justify the sale of arms to this new country or other new countries.

My amendment to that effect was defeated in committee, and tonight the amendment of the member for Victoria which was similar was also defeated in this House.

It is difficult to believe that the world, and this government, should show so much outrage at the sale of arms during the Iraq-Kuwait war, and they have forgotten about it so quickly. As a matter of fact, in the speech given by the Secretary of State for External Affairs in London during that war, he pointed out that 28 western northern countries sold arms to both sides. What an obscenity. Of the countries that were not involved in the conflict, 28 of them sold arms to both sides and kept that war going for nine years, and a million people were killed.

They were not Canadians, Americans, French, British, or Russians. They were young Iranians and young Iraqis. They were human beings and these countries made profits, made money, out of selling arms to both sides. I must say that Canada was not one of those 28 countries. We did not sell to either side.

The fact of the matter is that the arms trade is out of control. One does not bring it to a stop, one does not make speeches to the CSCE, as the Secretary of State did today, it seems.

• (2310)

You do not make those speeches and then support a bill at home providing for a greater sale of armaments.

The government did not accept the improvements to the bill which we suggested. It did not accept the amendments we suggested, so we will vote against it again at third reading.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am pleased to finally be able to contribute to this debate on Bill C-6 that will authorize the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons. It is the height of hypocrisy to hear the government say those kinds of things to Canadians at a time when they are outraged by what is happening, particularly in the Gulf region. In January and February, we heard the Prime Minister denounce the arms trade around the world. A few weeks later, the same government members come before the House of Commons and want to contribute to the arms race themselves.

Mr. Speaker, I cannot understand why Canada would accept to militarize its economy today. The reasons given by the Minister for International Trade are not valid. They say they want to make the military industry in Canada more profitable and, for that, we have to export more arms.

Mr. Speaker, I cannot imagine a minister coming to tell this House that to prevent the exporting of arms is not normal. He did say that it was an odd provision of the Criminal Code.

After recent events, I cannot believe that this government, who tried to come across as uncompromising, will join the list of countries who participate fully and freely in the arms race. If Canadians were consulted on this legislation, they would not accept their government authorizing the selling of arms, specially behind everybody's back, because after this House has voted tonight, there will be no more control by Parliament. From now on, it will be External Affairs officers together with National Defence officers and Cabinet ministers who will decide where, when and how we will sell arms. I do not understand why there is no parliamentary control on a matter of such importance, Mr. Speaker.

The hon. member for Notre-Dame-de-Grâce talked about his amendments that we supported, but we cannot accept the fact that we are giving a blank cheque to this government to sell arms all over the world. We just have to look at recent events, not only around the world, but in the province of Quebec. Everybody wants a stricter control of arms. Everywhere, people want to restrain this epidemic of violence. Today, the government wants us to believe there will be a stricter control of firearms. We know how the government is. We know what lobby is putting pressure on them, Mr. Speaker. The legislation before the House is certainly the product of the defense industry's lobby. This industry successfully lobbied the Conservatives who now put cost effectiveness before human dignity.

I cannot believe it, Mr. Speaker, when I hear these people say, as they did even today, that they are willing to sell arms to some countries, which have no democratic principles and no respect whatsoever for human rights and for the fundamental values Canadians and Quebecers all share, especially where peace is concerned. If there is one thing our conscience dictates to all of us, it is our quest for peace on earth.

Canadians are always sad to see their government sell its soul in order to sell arms.

Mr. Speaker, this is unprecedented, and only a Conservative government would introduce such a piece of legislation.

An hon. member: Eleven per cent in the polls.

Mr. Lapierre: No wonder they are so low in the polls. Their policies go against the best interests of Canadians, but especially against their consciences. Today, they gave us the most striking example of that.

First, they followed blindly all military decisions made by the Americans and then they were ordered by somebody to impose this kind of bill to this House.

Mr. Speaker, the Bloc Quebecois will fight this bill tooth and nail. It is too bad this government does not have more of a conscience.

The Acting Speaker (Mr. DeBlois): According to an order made Tuesday, March 18, 1991, it is my duty to interrupt all proceedings and put forthwith all questions necessary to dispose of the motion for third reading of Bill C-6, An Act respecting the exporting, manufacturing, buying or selling of or other dealing with certain weapons.

[*English*]

The question is on the motion standing in the name of Mr. Wilson (Etobicoke Centre). Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

[*Translation*]

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

(*Division No. 36*)

YEAS

Members

Anderson	Andre
Atkinson	Beatty
Belsher	Bernier
Bjornson	Blais
Blenkarn	Bosley
Boyer	Browes
Cardiff	Casey
Chadwick	Champagne (Champlain)
Clark (Yellowhead)	Cole
Cooper	Corbeil
Côté	Couture
Crosby (Halifax West)	Della Noce
Dick	Dobbie
Dorin	Edwards
Fee	Feltham
Ferland	Fontaine
Fontana	Fretz
Friesen	Gray (Bonaventure—Îles-de-la-Madeleine)
Greene	Guilbault
Gustafson	Harvey (Chicoutimi)
Hawkes	Hockin
Hogue	Holtmann
Horner	Horning
Hudon	Jacques
James	Jelinek

Johnson	Joncas
Kempling	Koury
Landry	Larrivée
Layton	Lewis
Littlechild	Loiselle
Lopez	MacDougall (Timiskaming)
Malone	Martin (Lincoln)
McDermid	Monteith
Oberle	O'Kurley
Plourde	Porter
Reimer	Ricard
Richardson	Schneider
Scott (Hamilton—Wentworth)	Sobeski
Sparrow	Stevenson
Tardif	Thacker
Thompson	Thorkelson
Tremblay (Québec-Est)	Turner (Halton—Peel)
Van de Walle	Vien
Weiner	White
Wilbee	Wilson (Etobicoke Centre)
Winegard	Worthy—92

NAYS

Members

Allmand	Althouse
Angus	Axworthy (Saskatoon—Clark's Crossing)
Benjamin	Black
Blaikie	Brewin
Catterall	Dingwall
Edmonston	Funk
Gagliano	Gérin
Grey (Beaver River)	Harvey (Edmonton East)
Heap	Hopkins
Hovdebo	Hunter
Kindy	Langan (Mission—Coquitlam)
Lapierre	Laporte
Leblanc (Longueuil)	Lee
MacWilliam	Manley
Mifflin	Milliken
Mitchell	Pagtakhan
Prud'homme	Riis
Robinson	Rocheleau
Stupich	Taylor
Whittaker—39	

PAIRED MEMBERS

Members

Bellemare	Clifford
Corbett	Hughes
MacAulay	Nault
Tremblay (Rosemont)	
Wilson (Swift Current—Maple Creek—Assiniboia)	

The Acting Speaker (Mr. DeBlois): I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Mr. Prud'homme: Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Saint-Denis on a point of order.

Mr. Prud'homme: I would gladly have allowed the senior member of this House, my friend, Mr. Gray, the hon. member for Windsor West, to say a few words, but since he is temporarily absent from the House, it is my pleasure to thank first of all the pages who will be leaving us.

I will not look at them, because I think we are all very sad to see them go.

[*English*]

It is a custom that at the very end, someone gets up. It is too bad somebody else did not do it. These young people are our hope for the Canada of tomorrow we wish to see.

Some hon. members: Hear, hear.

Mr. Prud'homme: I sometimes stay longer in politics because when I see these young people who will be the Canada of tomorrow, I think there is hope.

There is one thing which I hope—I say it in English only—that they have understood. There are, in this House, many different kinds of members of Parliament. There are some who are very devoted to other opinions than mine. I think there is hope that these young people may communicate to their friends and parents that there is a hope for Canada as long as we accept—

[*Translation*]

—the difference that exists. They have seen it today during this debate. And vive la différence!

The Acting Speaker (Mr. DeBlois): Finally, I would like to thank all my hon. colleagues for their cooperation and indulgence. I also thank the clerks and all the staff.

[*English*]

I present to all the members best wishes for good holidays and good work in your ridings.

It being 11.30 p.m., pursuant to order made Tuesday, June 18, 1991—

[*Translation*]

—the House stands adjourned until Monday, September 16, 1991, at two o'clock.

The House adjourned at 11.30 p.m.

HOUSE OF COMMONS

Friday, June 21, 1991

The House met at 12.10 p.m.

Prayers

[*Translation*]

Mr. Speaker: I wish to inform the House that pursuant to order made on Tuesday, June 18, 1991, I recalled the House today for the sole purpose of granting royal assent to certain bills.

* * *

[*English*]

MESSAGE FROM THE SENATE

Mr Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-24, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the March 31, 1992.

[*Translation*]

Furthermore, messages have been received from the Senate informing this House that the Senate has passed the following bills without amendment:

[*English*]

Bill C-2, an act to amend the National Energy Board Act; Bill C-6, an act respecting the exporting, importing, manufacturing, buying or selling of or other dealing with certain weapons, and Bill C-9, an act to facilitate combatting the laundering of proceeds of crime.

* * *

[*Translation*]

ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

June 21, 1991

Sir,

I have the honour to inform you that the Hon. Charles D. Gonthier, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 21st day of June, 1991, at 12.10 p.m., for the purpose of giving Royal Assent to certain bills.

Yours sincerely,
Judith A. LaRocque
Secretary to the Governor General

ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to following bills:

Bill C-9, an Act to facilate combatting the laundering of proceeds of crime—Chapter 26, 1991.

Bill C-2, an Act to amend the National Energy Board Act—Chapter 27, 1991.

Bill C-6, an Act respecting the exporting, importing, manufacturing, buying or selling of or other dealing wiht certain weapons—Chapter 28 1991.

Bill C-24, an Act for granting to Her Majesty certain sums of money for the government of Canada for the financial year ending the 31st March, 1992—Chapter 29, 1991.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, perhaps you would allow members still present in the House to express their appreciation for the excellent job you did this year, in very difficult circumstances, and also the hope that you will get a good rest and come back to us, exhibiting the same good humour and you have shown during the past months.

[*English*]

On behalf of all members, we wish you a good rest. I know you are going to work hard in British Columbia; it is my favourite province as you know. We wish you the best summer and we thank you for your kindness and great patience this year under duress and very difficult circumstances.

[*Translation*]

Mr. Speaker: Of course I would like to thank the hon. member for Saint-Denis for his very generous comments.

[*English*]

I wish him and all other members of this House a very happy and useful break over the summer months. Thank you all.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I think that it will be important from the distaff side of this House and from all members to echo the sentiments expressed by my colleague from Saint-Denis and to tell you that we look with a great deal of pride and pleasure on the ability that you have shown in a very raucous and difficult time in this House. To your Table Officers, to all the young people who served you as Pages, I know that you spoke in our name, and may I speak in the name of members of this House and tell you how much pleasure we have had in working with you. We look forward to a far calmer great Canada as Canada Day comes forward. May we all live in a country coast-to-coast in prosperity and in tolerance together.

[*Translation*]

Mr. Speaker: The hon. member for Mount Royal is most kind.

[*English*]

I appreciate very much her comments.

It being 12.30 p.m., pursuant to order made on Tuesday, June 18, 1991, this House stands further adjourned until Monday, September 16th, 1991, at two o'clock.

The House adjourned at 12.30 p.m.

HOUSE OF COMMONS

Monday, September 16, 1991

The House met at 2 p.m.

Prayers

Mr. Speaker: I wish to inform the House that in accordance with the representation made by the government under the provisions of Standing Order 55(1), I have caused to be published a special Order Paper giving notice of a government bill entitled an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, and notice of a government motion concerning the proceedings on that bill. I now lay upon the table a letter dated September 14, 1991, from the government House leader concerning this bill and motion.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

THE ECONOMY

Mrs. Christine Stewart (Northumberland): Mr. Speaker, this government said that the recession is over. I would like to know: over for whom? Not for constituents in Northumberland, not for farmers across this land, not for fishermen, not for industry, small businesses, not for consumers. Very importantly, not for Canada's voiceless one million children living in poverty.

Poverty denies children and their families access to basic rights, access to food, clothing and adequate shelter. Childhood poverty translates into poor physical health, emotional trauma, poor educational achievements, early school drop-outs, and ultimately unskilled, uneducated, costly social assistance statistics.

Children in Canada and around the world deserve that basic rights be met. On September 30 last year our Prime Minister was co-chairman of the United Nations Summit for Children in New York which called for ratification of a UN convention on the rights of the child. To date, 86 countries have ratified. Canada has not.

Ratification of the convention is an essential first step in fulfilling—

Mr. Speaker: The hon. member's time has expired.

* * *

AGRICULTURE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, farmers will receive $1 billion less in income this year than they did last year. The solution of the Minister of Grains and Oilseeds is to tell farmers to dump a load of grain on the parking lots of European car dealerships and not to buy their products. The minister is apparently oblivious to the fact that farmers are not buying Mercedes-Benzes or BMWs these days.

Not only in western Canada but in Ontario as well thousands of producers are on the verge of losing a livelihood that took generations to build. Farm organizations from one end of the country to the other have been pointing out the need for a third line of defence payment. Why is the government ignoring its own program?

By the way, where are all the other programs that the PC government was going to introduce as part of the *Growing Together* paper it presented back in 1989?

Yes, the Europeans are causing problems for Canadian farmers, and yes, the Americans are causing problems for Canadian farmers.

If, however, the Minister of Grains and Oilseeds really wants to know the biggest problem Canadian farmers have today, he need only look in the mirror.

* * *

THE SENATE

Hon. Alan Redway (Don Valley East): Mr. Speaker, if there is one thing that all Canadians can agree on, it is the need for Senate reform. What we cannot agree on is how to do it.

The 1979 Pepin–Robarts commission recommended that the Senate be replaced by a Council of Confederation, made up of delegations appointed by provincial governments based on representation by population. But a great many Canadians want a Triple–E Senate, one that is elected, equal, and effective.

Australia has a Triple–E senate as part of its federal parliamentary system of government. In Australia it works, not always smoothly and efficiently, but decisions are made and actions are taken.

Critics say that the Australian senate interferes with the government's right to govern, that is the cabinet's absolute control of the legislative process. Frankly, that may not be such a bad idea.

* * *

[*Translation*]

NATIONAL STRATEGY FOR THE INTEGRATION OF PERSONS WITH DISABILITIES

Mr. Jean–Pierre Hogue (Outremont): Mr. Speaker, I would like to take this opportunity today to draw the attention of the House to the National Strategy for the Integration of Persons with Disabilities, which was adopted recently. As you know, the strategy was announced by the Prime Minister in Winnipeg on September 6.

Today, 3.3 million Canadians have a disability, and visible or not, the disability is very real for the person concerned.

These Canadians are not asking for special privileges. They are merely asking for equality.

Firmly resolved to respond to these legitimate concerns, the federal government has promised to spend $158 million to support this national strategy and its three objectives: equal access, economic integration and full participation.

The federal government wants to make it possible for persons with disabilities to take an active part in the economic and social life of this country.

Mr. Speaker, together we can build a Canada where all citizens will have—

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

[*English*]

ANTI–DRUG ENFORCEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians are very upset and frustrated about the GST, income taxes, unemployment and drug use. In metro Toronto the issue of drug use is of concern to parents in almost every neighbourhood.

This problem must be tackled through the education of youth and through effective police enforcement programs. The federal government has been asked repeatedly by Toronto metro council and metro police commission that part of the money the metro police force uses in pursuing drug investigations, and a share of the value of property and proceeds confiscated by the RCMP, be returned to metro authorities to be spent on education, crime prevention, rehabilitation programs and anti–drug enforcement activities.

Once again we urge the Minister of Justice and the Solicitor General to support the fight against drugs on the streets and in the schools by acceding to these very reasonable requests.

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THE DISABLED

Mr. Peter L. McCreath (South Shore): Mr. Speaker, in June 1990 an all–party committee of this House under the capable chairmanship of the hon. member for Oxford tabled a report called *A Consensus For Action*. The report outlined barriers that prevent the full participation of Canadians with disabilities in the daily life of our country. I was frankly cynical as to whether anything substantive would come from the report and its recommendations.

Accordingly, I was delighted and would like to commend the Prime Minister and the government for their important announcement of the national strategy for the integration of persons with disabilities. Furthermore, the strategy includes a tangible commitment of $158 million.

Canadians with disabilities are not asking for special privileges. They merely ask for equitable treatment and the same opportunity and access to fulfil their lives and to make their contribution to Canada as are enjoyed by other Canadians.

This government's announcement and its strategy is one more important step in this direction.

* * *

FISHERIES

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I wish to publicly thank the Public Service Alliance of Canada and its members for agreeing to work behind their own picket lines in order to participate in the B.C. Salmon Hatchery Egg Take Program.

This action has saved a precious and valuable resource from certain extinction in areas around the 17 major hatcheries in British Columbia.

The Conservative government was prepared to see the west coast salmon resource go down the drain with everything else it has touched in this country. Thanks to the Public Service Alliance of Canada, which put the interests of the public and future generations first, this valuable resource has been saved. Thanks to the Public Service Alliance of Canada and its members, this is one precious resource that will not be destroyed by the Mulroney government.

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AGRICULTURE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, the agriculture industry is once again suffering. This time it is not an act of God but the actions of the grain handlers and the longshoremen's union. The grain handlers have chosen to support the Public Service strike, thus disrupting the very industry that feeds them and their families.

This type of action cannot be condoned or tolerated. Agriculture is essential to the economic prosperity of this country and should be declared accordingly. Legislation must be put in place to secure the well-being of the agri-food industry.

* * *

EDUCATION

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the thousands of college and university students returning to school this month have little to cheer about. Many failed to secure work this summer in Canada's depressed economy. Now the neediest of these students, those who have applied for financial assistance through the Canada Student Loans Program, realize as they go to cash their cheques that they must pay up front 3 per cent of their assistance as an administration fee.

Shame on this federal government. Not only has it made post-secondary education more expensive and exclusive through its cuts to education transfers, but now it purports to tax one of the most important programs that help our youth pay these soaring costs.

To add yet another obstacle to accessible education, this government has chosen to close its campus employment centres, thus eliminating another important avenue for paying for an education, a job.

Mr. Speaker, when will this government stop starving and start investing in education in this country?

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[*Translation*]

LEADER OF THE BLOC QUEBECOIS

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, since the beginning of the strike by the Public Service Alliance of Canada, the Leader of the Bloc Quebecois has remained silent. The reason is this: On May 24, 1991, in *Le Soleil*, Mr. Denis Gagné, a member of the teachers' union in Chicoutimi, reported the following: "In 1982-83, Lucien Bouchard represented the PQ government on the employer's side during negotiations with the public and semi-public sector".

• (1410)

According to Mr. Gagné, in addition to his income from his law firm in Chicoutimi, Mr. Bouchard was paid more than $250,000 by the Quebec government to introduce a 20 per cent cut in the salaries of teachers, nurses and all social sector employees in Quebec.

* * *

[*English*]

PUBLIC SERVICE

Mr. Garth Turner (Halton—Peel): Mr. Speaker, thousands of striking public servants came to Parliament Hill today. When they left an hour later, the lawns of this public building were a sea of trash—placards deliberately shredded into small pieces and ground into the grass.

Mr. Speaker, this is not a big deal, but it is symbolic and it is very distressing. I do not know what goal the union bosses, egged on by the Leader of the NDP, were trying to accomplish through this eco-violence, but for those Canadians who travelled here to see their Parliament Buildings, this was a disgrace. Surely the strikers do not have an argument with the lawn of the House of Commons. If the union's friends in the NDP cannot teach them to respect Parliament, at least they can tell them it is wrong to wantonly harm the environment.

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PUBLIC SERVICE

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, the first general strike in the Public Service in Canada's history is the result of the unfair and dictatorial tactics of this government.

By suspending collective bargaining and refusing to negotiate equitable wage conditions, the Conservative government has destroyed the co-operation that must exist between public service management and employees if essential services are to be provided to the Canadian public.

[*English*]

In the National Capital Region, the economic effects of this strike are being felt in the business community. Local television news broadcasts reported that my riding of Carleton—Gloucester was suffering severely from the negative effects of the loss of the revenue normally generated by public servants.

I call upon the government to act with fairness by respecting the fundamental right of its employees to a fair and just contract.

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PUBLIC SERVICE

Mr. Greg Thompson (Carleton—Charlotte): Mr. Speaker, the Public Service Alliance of Canada has taken extraordinary steps to promote its cause. In my riding, the union hierarchy has resorted to bringing in professional agitators and union extremists to take the place of local PSAC members who refuse to walk the line.

If they had a choice, they would prefer not to strike. This is not peculiar to my riding, it is happening across the country. The use of professional agitators and extremists to enforce a picket only brings the reputation of the labour movement into disrepute.

I call upon the PSAC to refrain from this type of tactic.

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PAY EQUITY

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, in 1977 the Liberals brought in pay equity legislation, but they never moved on it. In the 1984 throne speech, this government promised pay equity for its underpaid women workers. During the 1988 leaders' debate, the Prime Minister said: "We are agreeing on a policy for pay equity for women. We are budgeting for the funds required on an ongoing basis."

Now the government sings a different tune. The Tories are saying no deal to women working for $19,000 a year. They have tried twice to stop the Canadian Human Rights Commission from looking at pay equity in the Public Service. The Human Rights Commissioner has said that the government is not playing fair on pay equity. Shame on this government, Mr. Speaker. Where are those funds that were budgeted? Why have cabinet ministers and their friends received increases and not women workers at the lower end of the economic pay scale?

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VETERANS AFFAIRS

Mr. J.W. Bud Bird (Fredericton—York—Sunbury): Mr. Speaker, on behalf of all hon. members, I want to offer congratulations to the Minister of Veterans Affairs on his being honoured this morning for his work on behalf of Canadian veterans and their families.

The National Council of Veterans Associations this morning presented the minister with its prestigious medal of service. Also this morning, the national vice-president of the Korean Veterans Association presented the Minister of Veterans Affairs with an honorary life membership. In presenting the medal of service Cliff Chadderton, the chairman of the National Council, said: "Gerry Merrithew is not only a good Minister of Veterans Affairs, he has shown himself as well to be a great Canadian and must be given credit for the current efforts being made by veterans' organizations to preserve our national unity".

Canada's programs for veterans are second to none. The same can be said for the minister who leads and directs those programs.

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UKRAINIAN CANADIAN CENTENNIAL

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, September 7 marked an historic milestone in Canada's history. One hundred years ago, Wasyl Eleniak and Ivan Pylipiw entered Canada and were the first of the Ukrainian immigrants to settle in the prairies to link our country from sea to sea.

These pioneers struggled against disease, poverty, climate and social indignities. They fought hard, persevered and succeeded. In the years that followed their community has given Canada successful farmers, educators, entrepreneurs, mayors, MLAs, members of Parliament and the Senate, a justice of the Supreme Court of Canada and a Governor General.

Such is the success of the Ukrainian community that immigrants and new citizens of today look at their story of struggle and success as a model to follow.

It has been said that Canada's true wealth stems from its citizens. Let it also be said that all Canadians are proud of the Ukrainian presence in its citizenry. Indeed the Ukrainian Canadian centennial is about all of us. I therefore urge Parliament and this government to continue to give attention to this year-long celebration, not only in the interest of cultural equality but also for the sake of national unity.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, we are back in Parliament. We would like to have started in an easier fashion because this country needs some order, but unfortunately, there is a terrible strike that nobody wants, including the strikers.

A few minutes ago the Public Service Staff Relations Board—I talked with the president and it was confirmed to me—ruled that this government is not respecting the law of the land and is in breach of section 51 of the Public Service Staff Relations Act.

Will the Prime Minister do the right thing at this moment, follow the law of the land, go back to the negotiation table and try to find a solution to this unfair situation that exists today whereby the poorest in the Public Service are receiving a zero increase in their pay when people in the higher echelons are getting a big pay increase?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I would like to put to rest once and for all the notion that higher civil servants are supposed to be getting treatment that others will not get. This is not the truth. This is not a fact.

The civil servant upper echelon managers will all go through the same system of zero, three and three, as you will be going through and as we will be going through.

As a matter of fact, we negotiated a settlement for our managers from June 1990 to June 1991. A commission set up by the Liberal Party recommended 6.2 per cent. I refused it for last year. I settled for 4.2, which is less than what PSAC got. As of June this year they were already at zero increase.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I said earlier that we want to find a solution and that we want to start this session in an orderly fashion, since it will be a very important one for Canada. That being said, perhaps the government could start this session by respecting the laws of this country. A few minutes ago, a federal board, established by an Act of Parliament, said that this government had violated Section 51. Does the minister intend to observe the laws of this country and go back to the bargaining table to find a way to resolve this dispute?

• (1420)

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, this morning, the Public Service Staff Relations Board answered two questions from the union. The first question was: Did the government—and I am quoting the union—bargain in bad faith? The Board did not agree. However, it did say that in its opinion, we probably should have made every reasonable effort to reach an agreement.

Mr. Speaker, the Leader of the Opposition may not be aware of the fact that we have been negotiating with the Public Service Alliance of Canada for seven months, and that, give or take a few hours, we have had 60 days of bargaining and 30 days of conciliation. I had a meeting with Mr. Bean Friday morning, and he said he would never accept the government's policy. We were prepared to negotiate all terms of the collective agreement, except for the budgetary policy related 0-3, and he refused.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, everyone in this land understands that the intention of this government was to have a strike. It has been working all this time to make sure there is a strike which will serve its political purposes.

I want to ask the minister if he will do the right thing. The people of Canada are suffering today. They want an end to this strike. A very easy way to solve this problem is to appoint a mediator who will have the right to look at all the problems. The public servants will go back to work and we will have peace in this country. Then we will be able to deal with the other fantastic problems of this nation.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I see that the Leader of the Opposition has another miracle solution. I do not know if it is the same as the one he had yesterday which was rejected by the unions.

In any case, Mr. Speaker, at budget time we made many difficult decisions. One was related to the union. This is not union bashing because many unions have accepted the 0-3 and have signed agreements with us. We have negotiated in good faith. We have conciliation board reports recommending acceptance.

What we wanted to do at budget time and we are doing today is making sure that the debt does not go up and the deficit does not go up, but that interest rates go down and inflation goes down, and it is working, Mr. Speaker.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, this government has dealt in bad faith with seniors, with the unemployed, with students, with farmers and fishermen and now it is dealing in bad faith with its own employees.

Canadians understand what good faith means. When is this government going to recognize that it is in violation of the law of this Parliament? What is it going to do to put itself in conformity with the law as every other Canadian citizen has to do?

An hon. member: Respect the law.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, of course we respect the law. I will look at the report which was handed to me just before Question Period.

I will say this. The best way to provide for a secure future for our public servants and for all Canadians is to be really helpful and not to go about making statements such as that we are determined to hit the unions or to hit the Public Service. This is not true at all. We are determined to help them by getting the finances of this country in order and out of the mess that existed when your party was in power and we are having some success. Would they prefer the Liberal way with interest rates of 22 per cent and with inflation at 14 per cent? I think they prefer our answer to those questions.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, my supplementary question is for the same minister.

Canadians understand belt-tightening, they understand fairness and they also understand obeying the law, which 99 per cent of them do. The board has clearly found this government in violation of the law of Parliament. I ask again, what will the government do to get back to the bargaining table and negotiate fairly, in accordance with the law, and stop the turmoil it has caused in this country?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am prepared to tell the hon. member that I am ready to meet with Daryl Bean any time he wants—this afternoon, if he so chooses. But I want it to be very clear that we are not moving from the zero and three, but we are prepared to—

Some hon. members: Oh, oh.

Mr. Loiselle: This is not something new. It was in the budget. If the Liberals are so worried about the legislated wage freeze, what did they say about the premier of New Brunswick—your province, Mr. Leader of the Opposition—when he legislated a freeze of 0 per cent?

We are going through a difficult period. We are making decisions, we are not passing them on to our children.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister, because it seems clear from the minister's answers that he does not understand the difference between negotiating and dictating.

Independent conciliation boards have said that this government must bargain in good faith and has not been doing so. The Staff Relations Board again this afternoon made the same judgment and said the government was not complying with section 51 of the act. There is only one group in this dispute which is acting in good faith and that is the Public Service Alliance, which today said that to show good faith they would take down the pickets at airports and they would expedite border crossings.

Will the Prime Minister show good faith and instruct his government's negotiators to sit down now with public servants who do so much good work for this country, negotiate in good faith and negotiate on the terms of the contract on which they are entitled to negotiate.

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, to negotiate in good faith one has to take account of the reality of life.

Would the Leader of the NDP propose that I use the Daryl Bean solution? When he was faced with similar problems a few months ago he said: "I understand that my staff members are a little bitter and frustrated, but these are tough times", and he proceeded to close 20 positions.

I prefer to keep our civil servants and to give them an offer which on the whole is reasonable.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, public servants know perfectly well what is happening. This year, for instance, a speech writer working for one of the government's ministers was paid nearly $24,000 for five weeks of work. Meanwhile, some 5,000 public service employees, most of them women, earn about $20,000 a year, for 52 weeks.

My question is directed to the Prime Minister. Everyone says that wage equity is a matter of simple justice. Why won't this government do the right thing now for women, for the most disadvantaged members of the Public Service?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the Leader of the New Democratic Party mentioned the problems experienced by public servants in this situation, and as someone who has been a public servant for much of his life, I must say I understand the problem.

However, I think they also realize what the situation is and that today, in all sectors, collective agreements are being renegotiated. What about Canadian Airlines and Air Canada? We are going through a difficult period, and these are the people who will have to pay, with their salaries.

I understand why public servants are upset. They deserve to get a lot more. But that being said, as far as equity is concerned, it is a very serious problem and we are constantly looking for ways to improve the situation in this country.

I think the Leader of the NDP could at least acknowledge the initiative taken by this government in 1990 to set aside $317 million to bring wages to equitable levels, and that same government is adding $87 million annually. I think that is quite something, considering the present financial situation. I agree there is room for improvement, and we are prepared to make those improvements.

• (1430)

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I would like the people of Canada to understand that the Canadian Human Rights Commission, which said that this government must institute pay equity, is being taken to court and challenged by this government about pay equity. The people of Canada and the women of Canada understand that.

We have a situation here where senior management, senior civil servants and indeed members of Parliament are receiving salary increases. We see the head of the Bank of Canada receiving a substantial increase. We have received a substantial increase this year.

Some hon. members: Oh, oh.

Mr. Speaker: I ask the hon. Leader of the New Democratic Party to put her question.

Ms. McLaughlin: I want to simply ask the Prime Minister a question.

On one hand, we do have those who are the most privileged in our society receiving salary increases. On the other hand, we have people who are working for the Public Service, such as single parents, women, still making $20,000 a year. This government says no to them. Is this right? Or is this wrong?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, it is certainly not right and it is certainly not true.

I will repeat again that the senior managers of the Canadian government, the ministers, the Prime Minister, the Leader of the Opposition and the members of Parliament will all receive when the time comes at the first of December, zero per cent for the following year. They will receive 3 per cent the year after and 3 per cent the year after that.

Members of Parliament will not get an increase before January 1, 1933.

Some hon. members: Oh, oh.

Mr. Loiselle: With regard to the managers, the year starts in June. The Alliance got 4.8 per cent and the managers got 4.2 per cent for last year. Since June, they are at zero per cent increase.

Some hon. members: Oh, oh.

Mr. Loiselle: I wish the leader would get her facts straight.

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FISHERIES

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, if it is 1933, maybe the minister will make it retroactive.

I have a question for the Minister of Fisheries who has had in his hot little hands for two months now a report stating in graphic detail that the Newfoundland inshore fishery is in absolute total collapse.

For example, 8,200 fishermen and plant workers on the northeast coast alone, including some in his riding, will not qualify this year for UI although all of them qualified last year.

Is the minister now ready to act on the recommendations in that report and bring in an aid package for those fishermen and plant workers, or some sort of a catch failure program?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, it is a fact that the fishery along the northeast coast of Newfoundland and along the coast of Labrador has been extremely poor this year due, one has to assume, to very late ice conditions, cold and sloppy water and to the fact that as a result of that the codfish and the capelin have not come in as they normally do.

There has been an absolute, total collapse in certain areas such as for example the fishery in Labrador. It would not be true to say that there has been an absolute total collapse of the inshore fishery in Newfoundland this year, but there is a serious situation with respect to the northeast coast.

It is likely that the amount of inshore cod caught along that coast this year might only be 50 per cent of what it was last year. We do have a serious situation. This has been under assessment now for some weeks. We are considering with the provincial government—

An hon. member: Answer the question.

Mr. Crosbie: If this is unimportant to the hon. gentleman opposite, I can sit down. We have been consulting with the Government of Newfoundland and with the industry there for some time. We will be bringing forward proposals when they are ready.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I agree with the minister it is due to ice and sloppy water, but I think he might agree it is due to some fairly sloppy government as well.

These fishermen and these plant workers, as he knows, have no fish, no money, and what is now painfully obvious is that they have nobody in the cabinet prepared to argue, to plead the urgency of their particular case.

Why is the minister dragging his feet on this? Why does he not take off that St. John's fish merchants hat and go to bat for those people who are really hurting out there and who, contrary to what he says, are caught in situation of total collapse in the fishery? He should check his figures because they are much more dramatic than he would admit in this House.

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I will leave it up to the viewing audience to judge the grossness of this rhetoric, but I would just point out that when the fishermen along this coast needed assistance from May and, in fact, well up in August with respect to the fact they could not fish because of ice, I arranged a nice compensation program that has put $18 million into their hands during that period.

Some hon. members: Hear, hear.

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AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture who knows that farmers right across this country, grain and oilseeds, horticulture producers, are facing the worst financial crisis in a generation because the government has not provided emergency transitional funding for the losses in last year's crop.

I want to ask the minister when this government is going to act. When are they going to provide this assistance in view of the tremendous disaster facing Canadian producers this summer.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as the hon. member knows, assistance provided by the Government of Canada and the provincial governments last year was assistance to bring us forward to this time where the safety net programs, both GRIP and NISA, could be put in place.

I remind the hon. member that both GRIP and NISA were designed by farm groups, by provincial governments, and by the Government of Canada. It was at the request of the farmers and their organizations that there be a very specific support system in place. That is what we have at this time, and as we proceed with the interim payments on GRIP, and with the NISA payments that are going out at this time, the producers will receive the support that the hon. member is asking for. These programs were designed in co-operation with producers.

I understand this is a difficult time, but as the cash flow of some $2 billion from these safety net programs enters the farmers' hands, they will find that it has been this government and the provincial governments that have come to their support in this time of low prices.

Mr. Maurice Foster (Algoma): Mr. Speaker, the minister knows that his own third line of defence emergency committee rejected that solution two weeks ago in Winnipeg. They told him and asked him to provide emergency assistance, third line of defence based on the losses that occurred in the past crop year.

I want to ask the minister when he is going to recognize that they have made a mistake and that they have to bring forth emergency assistance for those losses as soon as possible.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, what the hon. member should recognize is that the Farm Support and Adjustment Measures, FSAM, that were put in place this summer totalled over $650 million. Those support systems were put in place to bridge farmers into the safety nets for the 1991 crop. Farmers are now concluding this crop. They will then be able to apply under the GRIP and NISA programs.

I say to the hon. member with all sincerity that if he wishes to support the grains and oilseed sector, if he wishes to support the cattle industry and other important agriculture sectors, he will support this government in getting the grain moving, opening up the packing plants, allowing producers access to a market that is being denied because of the PSAC strike.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, my question is for the Minister of Agriculture who surely knows that we can deliver all the $2 wheat we like and we will never get ourselves out of the hole that farmers are in as a result of last year's shortfall of income. It is that last year's shortfall of more than $1 billion that is not being addressed by this government. GRIP and NISA address this coming year. They cannot carry that deficit into a year with $2 wheat which has less purchasing power than was ever the case in the history of recorded wheat prices.

• (1440)

What happened to the third line of defence payment? What became of the third line of defence? It was promised throughout the negotiations all of last year and it has disappeared. What happened to it?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I am sure the hon. member or at least I really believe the hon. member is not saying that the some $650 million that was put forward on the third line of defence to bring the grains and oilseed producers over into the safety nets of GRIP and NISA is nothing.

An hon. member: That is not enough.

Mr. McKnight: One member from the Liberal Party says that is not enough. I understand that it is difficult at this time, but I remind colleagues that the third line of defence committee met in September in Winnipeg, addressed this issue and recognized that the very system the hon. member is criticizing is a system that was identified by producers, the provincial government and the Government of Canada to assist grains and oilseeds producers through this very difficult time, until stabilization through GRIP and NISA can be achieved.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, the minister will recognize that throughout the negotiations it was understood by all of the negotiating parties that third line of defence would apply for those periods of time when GRIP and NISA were not in effect, which is namely the crop year that has just finished.

When is the government going to make the third line of defence an effective program, rather than introducing red herrings such as was produced in April which reduced the premiums that were expenses farmers did not have before GRIP and NISA were introduced? When will it address the real problem of a shortfall of $1 billion?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, as part of the assistance through this bridging process there was assistance provided by the Government of Canada on the premium of 25 per cent for the gross revenue insurance program.

If the hon. member is saying that the 25 per cent of that premium being paid by the people of Canada is not of any benefit, I think producers would object to that.

If the hon. member is saying that the total contribution that the federal government is making through NISA to producers who are claiming assistance under NISA at this time is not of benefit then I am sorry. There are over $650 million for last year being put at the disposal of producers, plus this year there will be some $2 billion to producers for the 1991 crop.

Again, Mr. Speaker, I say to the hon. member through you that he may object to the price of $2 for wheat. I object to it also, but I do ask him to take a look at producers who have grain on the ground, the bins that are overflowing, and ask him for his help along with his colleagues so that we can move grain and so that producers are able to take advantage.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my question is also for the Minister of Agriculture.

We have a crisis on Canadian farms. These are the people who produce food for Canadians. A standing committee of this House recognized that crisis in late August and unanimously passed a motion calling upon the government to provide, on an emergency basis now, aid to Canadian farmers in order to help them survive this year.

I remind the House that this was a unanimous decision and motion. What is going to be done? Nothing has been done yet.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I want to say to my colleague that although there may be differences as to the amount of dollars provided, I think all members of this House recognize the assistance that has been put in place at this difficult time.

Members on the government side and members in the opposition benches understand that it is a difficult time in the agriculture community, not just in the grains and oilseeds industry. Specifically, with the grains and oilseeds producers we have provided as a bridging mechanism some $650 million last year. That includes cash advances and NISA, which producers at this time may collect. There is even an opportunity for provinces to add additional funds to those NISA accounts and some provinces have taken advantage of that.

I refer the hon. member to the $2 billion. When NISA starts to flow between September and December, there will be some $337 million flow under NISA. In the first interim under GRIP there will be approximately $406 million. There will be another interim under GRIP of—

Mr. Speaker: I am very sorry. I must ask the hon. minister to shorten his answers.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, my supplemental question is to the same minister.

I want to remind the House that the crisis is now. The financial crisis is also causing a psychological and emotional problem in Canadian farm families in homes across this nation.

I would like to ask the minister what the government is doing to provide support and guidance to Canadian farm families while they are trying to exist on a day-to-day basis.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, the assistance has been put forward not just by the Government of Canada, but in co-operation with our partners in the agricultural industry, the provinces and the producers themselves.

The hon. member must recognize that the programs that have been designed over the last six to eight months to assist producers have been designed with the co-operation of farmers, the other partners in the industry, the provincial governments, and any further discussion such as will take place by the third line of defence in October will involve consultation with those partners.

I ask the hon. member, if he is talking about psychological damage, to think of the grain producers in western Canada with grain on the ground, his inability to deliver the product that he has worked hard to grow because some hon. members believe that he should not have that ability and support a union in their demand for $2 billion tax dollars from the Government of Canada.

* * *

[*Translation*]

THE CONSTITUTION

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is for the Prime Minister. Need I remind him that Canadians are still waiting for his government's proposal to resolve the constitutional impasse. Yesterday, the Minister of National Health and Welfare said that there was still no consensus on this issue within Cabinet. My question for the Prime Minister is very simple: Is there a Cabinet crisis, yes or no? When will we have the government's proposal to break the constitutional deadlock?

An hon. member: There is no crisis!

Right Hon. Brian Mulroney (Prime Minister): Unfortunately for my friend from Papineau—Saint-Michel, there is no crisis. On the contrary, everything is going well. In the near future, as agreed, we will table constitutional proposals, and I know, or at least I hope, that we will have the support of all Canadians in developing a new Canada.

[*English*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, I have a supplementary question for the Prime Minister.

Will the Prime Minister give this House the assurance that his government will come forward with a comprehensive proposal spelling out the government's position and making it very clear that he will not abdicate his responsibility by asking a parliamentary committee to make the suggestion on which his own cabinet is unable to agree?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, we will be bringing forward very soon, as the Prime Minister said, specific proposals from this government to a committee where we hope those proposals will be improved by the committee and by the people of Canada.

We at least learned a lesson from the experience of Meech Lake and that lesson was, among other things, that we cannot shut the people of Canada out of the writing of their own Constitution.

We do not intend to shut the people of Canada out of the writing of their own Constitution. We will give them firm proposals. We will ask for their considered judgment and their improvement, and we hope that then together we can go forward to achieve progress that will change the constitutional nature of this country.

* * *

• (1450)

FISHERIES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Secretary of State for External Affairs who knows that over the summer the United States Coast Guard illegally boarded and seized seven Canadian fishing vessels inside Canada in Dixon Entrance.

Would the minister explain to Canadians why the government has refused to lay charges against those members of the United States military who illegally seized Canadian vessels and forcibly removed Canadian citizens from Canada to the United States?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we are well aware of the incident. We are also well aware of the situation within that area.

This government, as previous governments, has never ever recognized that those disputed waters belong to the United States. Those are sovereign Canadian waters. We protested publicly and strongly and we beefed up our own surveillance on the other coast as well.

Mr. Jim Fulton (Skeena): My supplementary question, Mr. Speaker, is to the Prime Minister.

I think it would be helpful for the Prime Minister to explain the policy to Canadians behind granting immunity from prosecution to members of the United States military who have committed indictable criminal offences in Canada this summer, while Canadian citizens legally fishing inside Canada are kidnapped, jailed and forced to pay ransom by the United States and are formally offered no assistance by Ottawa.

Some hon. members: Shame, shame.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, this matter is still under discussion with U.S. authorities and Canada will continue to be consistent in its approach to those waters.

In the meantime, since it is under discussion, I think it is probably inappropriate to comment further because those discussions are strong ones.

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, my question is for the Minister of Agriculture.

The agriculture industry is presently experiencing a desperate financial situation. The government has put in place excellent safety net programs which will help agriculture in the future. However, many farmers cannot wait for the proceeds of these programs. They need assistance now.

Will the minister advise this House of any further steps he will take to alleviate the present situation facing our farmers?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I know the hon. member is aware of the assistance that has been provided. Members from the opposition say they doubt it. I happen to know that the hon. member is very involved in her community and very involved in the agricultural sector and that her question is a serious one.

As I have said to other colleagues who have asked the question, there is at this time and there was last year in the Farm Support and Adjustment Measures program some $650 million made available. That was to bridge farmers into the safety nets of both GRIP and NISA. That means that over the next 12-month period there will be approximately $2 billion paid out to producers in those support systems.

What I do say to the hon. member and other colleagues is that the third line of defence committee, which is made up of provincial and industry men and women and the Government of Canada, is continuing to address and monitor what we are observing taking place around the world. However, I do know that she would agree with me that one way to change the outlook is for producers to have the ability to move grain to the market, and I hope she will do that.

* * *

[*Translation*]

SOCIAL SECURITY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, my question is for the Minister of National Health and Welfare. Around August 28 or 29, Canada Post lost 1,600 old age security pension cheques for seniors who live in Val-d'Or. On your initiative, you had duplicates of these cheques printed on August 30 and on Saturday morning, August 31, with the letter carriers and postal workers of Val-d'Or, we were able to distribute these cheques to the seniors.

Mr. Speaker, my question is: Are you prepared, on behalf of the seniors of Quebec and Canada, to confirm to us today that their September pension cheques will be delivered to their homes before September 30 by Canadian letter carriers and postal workers, and not by Canada Post managers with their temporary offices? We have had enough of making old people wait in front of these offices for hours!

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, to my knowledge, the recipients of old age security pensions did indeed receive their August cheque and I have no indication at this time to believe that it will be otherwise in September. Therefore I think that everything should go normally, Mr. Speaker.

[*English*]

Mr. Speaker: The hon. member for Halton—Peel on a supplemental.

Some hon. members: Oh, oh.

Mr. Garth Turner (Halton—Peel): Mr. Speaker, during the recent postal dispute everybody lost—businesses, pensioners, the post office and its employees.

Mr. Speaker: For a supplemental it is appropriate to put the question.

Mr. Turner (Halton—Peel): Mr. Speaker, there has to be a better way to manage postal relations. Will the minister responsible for Canada Post now adopt a recommendation made by the House of Commons Standing Committee on Consumer and Corporate Affairs that "in the event of a disruption in postal services Canada Post's exclusive privilege to deliver letters should be suspended for the period of the disruption".

Does the minister not agree that by removing both Canada Post's monopoly and the union's ability to hold people—

Mr. Speaker: The hon. member I think has put the question.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, along with the overwhelming majority of Canadians, I share the hon. member's disgust at these postal strikes which occur with such regularity and the damage it does to the economy.

I think the question of examining the monopoly is well worth looking into, and indeed we might consider doing it on a permanent basis so that Canadians cannot be held for ransom the way they have been.

[*Translation*]

MONTREAL'S ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Prime Minister.

The Prime Minister and his Minister of Finance have stated on several occasions that the recession in Canada was over. Obviously, the government is turning a blind eye to the deplorable economic situation in the Montreal area.

Mr. Speaker, my question is this: How can the Prime Minister say that the recession is over when housing starts in the Montreal area dropped 40 per cent during the month of August alone?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, according to the economic indicators, the recession has ended and economic recovery should be on its way.

Mr. Speaker, with his experience, the hon. member should know that it may be a matter of weeks and months before the cumulative effect of economic recovery can make itself felt, but I am confident that this will happen. We are analysing the situation through the Quebec regional economic development board. We are receiving an increasing number of requests for assistance, which means that businesses in the Montreal area are ready to get off to a fresh start.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, the minister says that businesses in Montreal are recovering. What about Air Canada which two weeks ago laid off 911 employees, including 458 in Montreal? Today, Nationair laid off 180 employees, including 90 in Montreal.

Is that economic recovery?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, most economic studies have given a very good assessment of the situation in the air transportation industry in Canada. The phenomenon is not peculiar to Montreal but to the air transportation industry in general, not just in Canada but throughout the world, and especially in the United States where a number of large companies have disappeared.

I strongly advise the hon. member to read these studies, and I am sure he will then understand the situation, Mr. Speaker.

* * *

[*English*]

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my question is for the Secretary of State.

When federal support to education drops from 7.3 per cent in 1986 to 6.4 per cent in 1991, when Canada Employment Centres on campus are closed in spite of youth unemployment of close to 20 per cent, when the government imposes a new tax on Canada's student loans, why does the government continue to talk about a learning culture? When will the government stop its assault on Canadian students?

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, I would like to answer my hon. colleague opposite by saying that first of all I have met with the student bodies. We have discussed what the government is doing at the moment, and I have indicated very clearly that the program he mentioned, the Student Loan Program, is a program that is some 27 years old.

In early summer I asked my officials to conduct a thorough review of the program, which is very near completed, and we will be making an announcement in this House in the very near future as to how the government intends to continue helping students in need attain their educational goals.

[*Translation*]

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my supplementary is directed to the same minister.

Thousand of students across Canada are protesting against the new 3 per cent tax on university and college student loans. Is the government, is the minister prepared to withdraw this unfair tax which prevents students from continuing their education? Why is he once again taxing people who already have trouble making ends meet, Mr. Speaker?

• (1500)

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, as I explained in English, this program was introduced in 1964. This 27 years old program has never been reviewed. It has flaws and improvements are in order. That is what we are doing. In the weeks to come, months at the most, we will be introducing in this House as new program to help students in need complete their education.

* * *

[*English*]

PUBLIC SERVICE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, the minister responsible for the Treasury Board said earlier today that he would meet with the president of the Public Service Alliance this afternoon, but the president must understand that the minister is not moving from zero and three.

The ruling of the Public Service Staff Relations Board in its order says: "The insistence on conditions precedent to negotiations—"

Mr. Speaker: I do not think it is necessary that the hon. member read the order. I would ask her to put her question.

Ms. Langan: Is the minister saying that he is going to ignore this ruling of the Public Service Staff Relations Board?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, of course not.

Mr. Speaker: I should advise hon. members that there are at this time some tributes to be paid.

* * *

TRIBUTES

THE LATE HON. ROLAND MITCHENER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise today to pay tribute to a very distinguished Canadian.

When Roland Michener died, every Canadian had reason to grieve. All of Rolly Michener's adult life was spent in the service of the country that he loved so much.

He brought to public life the powerful virtues of dedication, selflessness and generosity. He will be remembered above all for his serenity and perhaps as well for his smile. I have no doubt that Canadian history will smile back at the legacy of this remarkable man who occupied the highest office in our land and was never happier than when he could meet with ordinary Canadians in their own communities and share their pride in being citizens of what is quite a marvellous country.

Some would say, though, that he was probably happiest jogging daily at 90 years of age and urging, by his example, an entire and sometimes reluctant nation to follow his route to good health and longevity.

[*Translation*]

Next year, we will celebrate our country's 125th anniversary. Canada, a vast and great country which inspires respect and envy all over the world. On that occasion, we will recall its glorious history as we look to an even brighter future. As we remember with emotion those men and women who have devoted their lives to making Canada a better place, no doubt many of us will think of Roland Michener.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I had the great privilege of knowing Mr. Michener when he was Governor General and I was serving in this House.

He was a great public servant. He had a great personality and a great variety of topics to discuss and he was always very relaxed.

Later, when I quit politics for a few years, I shared many days with him because we were working in the same law firm. As the Prime Minister said, he was very relaxed and very philosophical about things and always cared a lot about what was going on in this country.

If we were all to be like him, putting forward our best for the good of the nation, the country would be much better. He was a great example of public service and what it is all about to be comfortable anywhere in Canada.

When he was the Governor General—

[*Translation*]

—he went to Quebec, and everybody recognized him immediatly. Particularly in the latter part of his life, with his sportsmanship, his fine figure and especially his concern for young people, urging them to stay in shape, he showed us how one can be a great Canadian who gained a great deal from serving his country, be it as a member of this House, as Governor General of Canada or as ambassador abroad. I hope that such an example will be an inspiration for the coming generations of Canadians.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I also would like to express my personal regrets and the regrets of my party at the passing this summer of the former Governor General and former Speaker of this House, Roland Michener.

[*Translation*]

Mr. Michener led a life we can all be proud of. After serving in this House as a member, he went on to become the Speaker of the House of Commons, Canadian ambassador to India and Governor General of Canada. He served his country well. He did so with unequalled dedication and enthousiasm.

[*English*]

Roland Michener was, to most of us, much more than a Rhodes scholar and admired House of Commons Speaker. The core of his character represented so much to us about what is good about Canada. His tolerance and his understanding, his sense of fairness and in fact his sense of humour were something that immediately attracted all Canadians and we too became part of that mission that he had on behalf of Canada.

Finally, I would like to say that Roland Michener led a very colourful and productive life. I am sure all of us hope that the values that he stood for and the love that he had for his country will live on in all of us.

THE LATE SENATOR AZELLUS DENIS

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, when the time comes to pay a final tribute to a man who gave 56 years of his life to politics, I realize that few of my fellow citizens meet the definition of "political" as clearly as Azellus Denis did.

It can be said that by practising for more than half a century a profession that he loved, he acquired virtues like realism, prudence and a certain wisdom that arose from this long experience. For if the scholar studies books, as Balzac said, the politician studies people, their interests and the causes that give rise to their actions. Shrewd, sensible, at times crafty, Senator Denis, who had been a member of Parliament for 28 years, was a real politician. Political institutions—organization, government and public affairs—had long ceased to hold secrets for him.

I can even say that he was what is called a "political animal", that is, someone with all the talents and all the shrewdness required to work effectively as a zealous member of his party.

Allow me a few moments more for a career which will go down in the annals of the Commonwealth as—

[*English*]

—probably one of those who served the longest in the Commonwealth, 56 years: 28 as a member and 28 as a senator.

[*Translation*]

Under an often rough exterior, the man whom everyone affectionately called Azellus, sometimes with a hint of mockery, had a tender heart. He had a sense for friendship; he had the gift of keeping his friends. It is regrettable that he refused to write his memoirs, despite my many requests.

Fortunately, I remember very well our many meetings and discussions, from the first day I was his master of ceremonies in 1949.

Mr. Speaker, you can imagine what this politician, who knew the end of the Great Depression when he was first elected in 1935, who knew the Second World War, who knew conscription, who knew the glorious post-war years, who witnessed the establishment of NATO, would have had to say to us. He was always loyal to his party. He served Mackenzie King, of whom he spoke to us so often, and was elected with him in 1940 and 1945. In 1948 came the great and friendly Louis Saint-Laurent, re-elected with him in 1949, 1953 and 1957. As he said, while his party was defeated, he was re-elected.

• (1510)

Then there was Lester B. Pearson, the fine and distinguished diplomat. He was re-elected with him in 1958, a very difficult year for us, and witnessed the end of the Diefenbaker regime in 1962 as well as the coming to power of Pearson in 1963. I am getting now to the most important part of his life. He, the man who understood the poor so well, was made Minister of Postal Services. No doubt the popularity he enjoyed at the time would have been of great help today. In 1964, he was appointed to the Senate, where he sat ever since, and I had the privilege of taking over as member for his former riding.

Imagine how much I learned from him about the Duplessis era and the turbulent and exhilarating days of debate on the Quiet Revolution! He was a first class member of Parliament—and I am addressing those who are listening as well as those who should—great at representing his riding, always available to his people, to the little man and the less affluent members of society.

This is something we should reflect upon at this time, Mr. Speaker. It is unfortunate that you did not have the opportunity of hearing him in caucus when he stood up for the needy in a style of his own, of course, and without all the usual media fanfare. He was a reserved, quiet and modest man of good advice on people and on things.

Someone wrote about on him, on the role he played in René Lévesque's election in 1960.

Having been close to the action in those days, I can assure you that, had it not been for him and my late father, René Lévesque would have never made it in 1960, and you can read about this in René Lévesque's memoirs.

A man of wisdom with a colourful way of expressing himself, with his demise, another page of parliamentary history is turned. To his wife, my dear friend, Mrs. Émé Denis, I extend, on behalf of us all, my best wishes for a long life and the assurance that today we are with her in our prayers. Have no fear, honourable colleagues, Azellus was welcomed in Paradise by his many friends, always anxious to know what is going on down here, on this troubled earth and in this party he loved so dearly.

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, we were dismayed to hear that Senator Azellus Denis had passed away on Wednesday, September 4.

A great patriot and man of action, he served his province and his country well for over half a century in the humanitarian and social as well as the political sphere. He gave generously of his person and helped to make our society what it is today.

I therefore wish to join all our compatriots and the members of this House in offering his family and friends our sincere condolences.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I wish to join the hon. member for Saint-Denis and the Minister of National Defence in offering my sincere condolences to the family of Senator Denis.

I have had the privilege of sitting in this House for many years, and Senator Denis was in the Senate throughout that time. Like the hon. member for Saint-Denis, he was a true servant of the public. He was always available to his constituency. He was full of good advice for everyone, and my colleagues and I always enjoyed talking to Senator Denis because he would give us an entirely different perspective that was always very down to earth.

Often when you read editorials you tend to get carried away by new ideas, but the senator was fond of saving that what peaked today might be gone tomorrow. In fact, there was a lot of truth in what he said.

This gentleman, who spent 56 years in public life, was an example to us all and very hard worker. In conclusion, I think all members would do well to remember, like the senator, that we are here because there are some people out there who put their trust in us.

I therefore wish to pay tribute to his memory and offer his family my sincere condolences.

[*English*]

THE LATE WILLIAM KEN ROBINSON

I would like to speak about another person who passed away not long ago, who had been a member of Parliament, Mr. William Ken Robinson. He was in this House with us for many years and was another example of a person who decided to serve. All of his life he was involved in organizations that meant something to the grassroots, such as the Red Cross and organizations of this nature. Later, when he came to this Parliament, he was always trying to be a bridge between the different factions in this House. He was always involved in interparliamentary organizations, very often travelling abroad.

He was an anglophone who was extremely proud of the fact that he would participate in organizations of members of Parliament in the French language. For him it was a great contribution.

I had the privilege of working with him when he was my parliamentary secretary in 1980 when we were involved in the referendum and patriation of the Constitution. Whenever I felt the pressure, Ken was there giving me a good slap on the back and telling me to keep up the good work. He will be missed.

I see his wife and his two sons in the gallery. You have to be proud of your husband and your father. He was a great guy and we will miss him very much.

THE LATE SENATOR AZELLUS DENIS

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on behalf of my colleagues in the New Democratic Party, I too want to say how saddened we were when we learned last Wednesday of the passing of Senator Denis.

Senator Denis served in Parliament for more than half a century. He was elected before many of us were born.

While I do not have knowledge of what happens inside the Liberal caucus, I do know from various comments that people have made over the years, that when discussions of a critical nature occurred, Senator Denis often stood back, but when he did speak, he spoke for the people. He spoke for the people of his constituency when he was a member of Parliament.

When we look at Senator Denis' record and acknowledge the fact that he was first elected in 1935, re-elected in 1940, 1945, 1949, 1953, 1957, 1958, 1962, 1963, you know that here was an individual who not only served his constituents well, but served his country well.

Mr. Speaker, our prayers and our sympathies go out to his fine wife.

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would also like to add a few words, especially after what was said by our colleage from Saint-Denis. I know Senator Denis was his political mentor, and I also happen to know the Senator was an important factor in the political career of the hon. member for Papineau—Saint—Michel.

Personally, as someone who met Senator Denis, first as a ministerial assistant and later as a member of this House, I can testify to the fact that he was genuine. When we say French Canadian, with all that traditionally implies, Senator Denis was a real French Canadian. I heard him speak over the years, and what he said was always imbued with common sense. We have all had occasion to listen to his remarks, and today, with my colleagues, I wish to pay tribute to the senator and thank him for his words of wisdom and his advice were greatly appreciated.

Tributes

THE LATE WILLIAM KENNETH ROBINSON

[*English*]

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, it was with sadness that we learned about the passing of our former colleague, William Kenneth Robinson, former member of Parliament for Etobicoke—Lakeshore. Ken Robinson suffered from a brain tumour and died at the Queensway General Hospital on July 25 when this House was not sitting.

As our leader has already said, he is survived by his wife Margery and his two sons, John and James, brothers Keith, Arthur, Norman and sisters Verna Tanner and Shirley Mathews.

• (1520)

Ken Robinson represented the Etobicoke—Lakeshore riding for 14 years, from 1968 to 1972 and again from 1974 to 1984. In 1984 his political career was cut short when, on the evening of his own nomination, he ended up in hospital.

Ken was a hard worker and liked the challenge. He talked to me a lot about his responsibilities as parliamentary secretary to four ministers, the Minister of National Health and Welfare, the Minister of Justice and the Attorney General, the Minister of State for Social Development, the Minister of National Revenue. He served conscientiously on two parliamentary standing committees, the Standing Committee on Health, Welfare and Social Affairs and the Standing Committee on Veterans Affairs. He was an active member on the international unions and associations, the Interparliamentary Union, known as IPU; the Canadian Native Parliamentary Union; the Canadian Parliamentary Helsinki Group; the Canada—U.S. Inter-Parliamentary Group, and the Commonwealth Parliamentary Association.

Ken received his law degree from Osgoode Hall and practised in his own law firm in Etobicoke as Queen's Counsel. I learned from his family today that Ken was a lifetime learner and just last year he received his doctorate in philosophy.

Mr. Speaker, if you check the Canadian Parliamentary Guide you will see that Mr. Robinson probably held the Guiness Book of World Records for belonging to various associations, societies and organizations. He served with the Royal Canadian Air Force and was a lieutenant-colonel in the reserves. He was honorary president of the St. John's Ambulance Association, a member of the Board of Governors of Queensway General Hospital Association. He was on the Metropolitan Toronto Social Planning Council; president of the Canadian Tai Kwan Do Association; patron of the Canadian Field Hockey Association; chairman of the Gurkha Welfare Trust Canada.

Ken was also active in the Etobicoke—Queensway Lions Club, where memorial services will be held on October 11, 1991 at 8 p.m. This memorial service is being organized by the residents of Etobicoke and West Toronto, again indicating their appreciation for what Ken did for his community and for the country.

Ken was a member of the Royal Canadian Legion, Branch 217; he was a member of the John Howard Society, the Elizabeth Fry Society. He was also a member of the Children's Aid Society of Metropolitan Toronto, the Association of Corrections and Criminology, the Canadian Club, the UN Association in Canada, the Royal Commonwealth Society, the Canadian branch of Amnesty International, and that is just a bit of what is listed in the Canadian Parliamentary Guide.

Ken had a big heart. He was always ready to help others, whether it was helping others through his parliamentary role, his law profession, through the Liberal Party or through his day to day activities. Ken was a well-liked workaholic, putting in long hours and eight-day work weeks. It was not uncommon to see Ken in his office at 11 p.m. or midnight or even 1 o'clock in the morning. He will be missed by his family, colleagues in this House, his friends and, above all, his constituents. Ken represented his constituents for 14 years, the constituents of Etobicoke—Lakeshore.

Hon. John Bosley (Don Valley West): I rise today on behalf of the members of this side to pay tribute to Colonel Ken Robinson. I might start by saying, sir, that the current member for Etobicoke—Lakeshore, Mr. Patrick Boyer, wanted to be here specifically to do this himself but, like Wayne Gretzky, he has back problems this week and cannot be here. He sends his personal regrets and homage.

To know Ken was to know a very special guy. I had the privilege, sir, of knowing him in this House and outside this House. Not only did we spend four years here together in parliamentary service, but we served for many years on the councils both locally and nationally of the Royal Commonwealth Society, which is only one—as my colleague has indicated—of the dozens of important national institutions to which Ken gave unstintingly of his time and his energy.

To know Ken was to know one of the proudest Canadians one could ever meet. No Canadian, English or French speaking ever fought harder in the defence of his or her heritage. His record of public service and dedication will serve as a shining example to all of us.

On behalf of all the members on this side, sir, we extend our sincere condolences to his wife Margery, and his two sons, Jamie and John.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on behalf of my colleagues in the New Democratic Party caucus, I want to say how saddened we were when we heard the news on July 25 of the passing of Ken Robinson.

My colleagues in the House of Commons have commented on the wide range of ways in which Ken served his community and his country. In the Canadian Parliamentary Guide, Mr. Speaker, it goes on longer than almost any other parliamentarian, listing all of the ways Ken served his country.

I want to say, on a personal note, that I had the pleasure of serving in the House of Commons with Ken in the early 1980s and although we were from different political parties and I was a rookie member of Parliament, I remember many, many days spent discussing matters over cups of coffee as he informed me of the the ways that this House operated. I will be forever grateful for the generosity he showed me during those novice years as a parliamentarian.

Our hearts go out to an individual who served this country with distinction, who was an extremely hard-working parliamentarian on behalf of his party and the House of Commons and, in particular, on behalf of his constituents.

Our prayers and our thoughts today are with his wife Margery and his two sons Jamie and John.

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to pay tribute as well to Ken Robinson. He was elected in 1968, the same year that I was elected, along with 70 or 80 other new, fresh members at that time. I do not think there was anybody who brought a greater enthusiasm, interest or concern for their constituents to the House of Commons than Ken Robinson. He served in this place for some 14 years, up until 1980. He had a very distinguished career here in the House of Commons. He was a lawyer by profession. He served in the Royal Canadian Air Force. He was a member of an enviable list of community and city organizations from the constituency of Etobicoke—Lakeshore.

While here, as well, he served as parliamentary secretary to the Minister of National Health and Welfare, the Minister of Justice and Attorney General and the Minister of National Revenue.

The three points I would like to make is that Ken served his constituents very well, he was very concerned about his country and their well-being and that he was a good friend. He was a good friend to members long after he left the House of Commons. You would see him at caucus reunions and so on. He did not forget those people.

I know that many members of this House were shocked to learn this past weekend, who were not aware, that he had passed away in July of this past summer, after quite a lengthy illness.

I simply want to express to his wife Margery and to John and Jamie, our condolences especially from all members on this side of the House, but especially from those members of the class of 68 who were first elected to the House of Commons with him and enjoyed his friendship so much, his camaraderie and the good times we had together.

THE LATE GRACE MACINNIS

Mr. Stan Wilbee (Delta): Mr. Speaker, it is a real privilege and honour today to speak on behalf of the Conservative Party of Canada in honour of Mrs. Grace MacInnis who passed away this summer at the age of 85 in Sechelt, British Columbia.

We understand that during her last years she suffered greatly from arthritis, but this physical affliction did not affect her in any way mentally. She was noted when she was a member of this House, as well as the provincial legislature, for her keen mind, the strong and well reasoned positions that she took on matters she felt were important to her.

As I mentioned, she served as an MLA in the provincial legislature from 1941 to 1945 for the riding of Vancouver—Burrard and served as the member of Parliament for Vancouver East from 1965 to 1972. This was a seat that her husband Angus had held previously from 1935 to 1957.

I might add that my grandfather was a very strong advocate of the CCF party at that time and a good friend of the MacInnises. Like Mr. Woodsworth, he would spend half his time preaching the gospel and half the time preaching the gospel of socialism.

Mrs. MacInnis was elected as a member of Parliament from British Columbia. She was also the only woman member of Parliament when she was here in the House. She was involved in issues which were not popular at that time such as contraception and abortion. She took her stand and her position, for which I understand she was ridiculed roundly by her male colleagues. She also undertook a stand on the humane treatment for the Japanese internees during the war, again a position that was not popular.

As I said, she was a woman of keen intellect, great principles and determination. I am sure that she will be missed by all her friends and colleagues but she has left each one of us a pioneering legacy not only as Canadians but as parliamentarians. So we wish her survivors and her colleagues the best wishes that we possibly can at this sad time.

• (1530)

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also rise to pay tribute to Grace MacInnis who died on July 17, 1991. Grace MacInnis, the MP for Vancouver Kingsway from 1965 to 1972, was an outstanding Canadian. She was a charter member of the Co-operative Commonwealth Federation which was founded by her father, J. S. Woodsworth, in 1933.

As my colleague said, she represented Vancouver Burrard in Victoria from 1941 to 1945 and was the first woman from British Columbia to become a member of Parliament in 1965. She was married to Angus MacInnis, who had earlier represented Vancouver East for 22 years, and she carried on his fight for redress for Japanese Canadians.

Grace MacInnis represented all that is best in a politician and a member of Parliament. She had clear goals as a democratic socialist, a deep respect for people, and a dogged determination to fight for what she believed was right. She spoke eloquently about bread and butter issues that affected peoples' lives, encouraging people to organize and take collective action to solve problems and work for change.

She did not hesitate to speak her mind. She was bilingual and had a strong appreciation of Quebec's place in Canada.

I knew Grace personally best on the front lines of community action in the 1970s when she encouraged public housing tenants and mothers on welfare to organize and fight for their rights to child care, jobs, decent housing, and a say in decisions that affected their lives.

Mr. Speaker, you will recall how she brought their cause to Parliament and spoke up for them.

Women parliamentarians will appreciate that Grace MacInnis had a lonely life as the only female member of Parliament in 1968. Despite the heckling from male colleagues who she once referred to as "MCPs", she continued to fight for birth control programs and the right to choice on abortion. She often said that all children should be wanted and loved and women should make their own decisions on medical matters. She advocated pay for parenting so women would not have to suffer the indignities of welfare and their essential work would be recognized.

After retirement, Grace continued her interest in people and Canada and in our party. Despite failing health, she was in demand as an inspirational speaker and she rarely refused an invitation. Painfully crippled with arthritis, she used to say: "I work fine from the neck up".

She continued to be an inspiration for aspiring politicians, including several of us in the House, and a role model for women across Canada. Above all, Grace MacInnis cared for children and wanted a better world for future generations. She established the Lucie L. Woodsworth fund in memory of her mother to enrich the lives of disadvantaged children.

Grace MacInnis will remain an inspiration to future generations for her pioneering efforts in the CCF-NDP, her integrity as a politician, her love of Canada, and her dedication to achieving a peaceful and caring world through social democracy.

On behalf of members of Parliament, I extend condolences to her family and friends in their loss. We also celebrate her rich life that has left a legacy for all of us.

Some hon. members: Hear, hear.

Ms. Mary Clancy (Halifax): Mr. Speaker, it is a great honour for me to stand in this House today on behalf of the Liberal Party and pay tribute to the late Grace MacInnis. She was a woman who bore a proud tradition and a proud heritage as the daughter of J. S. Woodsworth. She was also a woman who stood on her own and many times alone in this Chamber as a model for women and for politicians everywhere.

Earlier, in preparing this tribute, I spoke briefly with the hon. member for Windsor West who told me how well she handled a variety of critics positions while in this House and he particularly remembered her competence in being critic for consumer affairs when he was minister.

Mr. Speaker, it is something for women in this House to be able to look back 50 years, or 20 years, or even five years for models in all parties who have gone before those of us who work here today. Grace MacInnis was a great role model for the women of Canada and, indeed, for all politicians, and she will stand as a shining beacon in Canadian history.

Mr. Brewin: I am quite content to give way to my friend, formerly from Kingsway, who has seniority and also charm.

Mr. Ian Waddell (Port Moody—Coquitlam): I certainly have the seniority. I do not know about the charm.

Mr. Speaker, I rise as the former and last member for Vancouver Kingsway to add to the eloquent words that have been spoken in the House, especially by my colleague, the member for Vancouver East.

Grace McInnis affected all people. I heard about the role model for women in the House and I listened very intently to that. I just want to add a few words as to how she affected me.

She and her husband stood alone in Canada for the interests of the Japanese Canadians when they were interned during the war. Angus McInnis gave a speech in this House, I believe in 1944, where he was alone. Grace told me personally that when they stood up and spoke in Vancouver in those days, it was like going against a tidal wave of public opinion. It is usually easy to go with the flow, but it is pretty difficult and it takes a lot of courage when you have to buck public opinion and you have to do it on such a controversial issue. Grace had courage, determination, she had a lot of fight. We are going to miss her. Canada is going to miss her. This House will miss her. I miss her.

Mr. John Brewin (Victoria): Mr. Speaker, I would just like to join with my colleagues in paying a word of tribute to Grace McInnis. She was a woman who made a profound contribution to Canada. She served in this House with my father, and I had an opportunity on many different occasions to personally see her in action.

Her father, J. S. Woodsworth, was perhaps one of the most influential leaders of his time in this country. Grace had an indomitable spirit. She passionately believed in democratic socialism, in social justice, in equality and freedom. She was a very, very important Canadian. She had courage, she had wisdom and she had grace. We will miss her. Her family will miss her.

If I could just conclude on a personal note. All of us have had our share of losses over the years and we know what her family and friends will be feeling. We share with them the grief they must feel and the celebration and joy in her life.

Mr. Speaker: I must bring to the House's attention that I have several applications on privilege. The hon. member for Winnipeg North.

* * *

PRIVILEGE

FIRST REPORT OF STANDING COMMITTEE ON HEALTH AND WELFARE, SOCIAL AFFAIRS AND THE STATUS OF WOMEN

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to take this earliest reasonable opportunity as the House reconvenes today to rise and speak to the question of privilege raised by the member for Surrey North at 1500 hours on June 19, shortly before the House adjourned that evening for the summer. Unlike the said hon. member who failed to give me notice when he spoke at that time, due notice of my intention to now rise and respond has been given not only to the Chair but also to him.

To rationalize his claim that his personal privileges as a member of this House were breached, the member for Surrey North made three serious allegations to which I will respond point by point in this Chamber as well. First, he claimed that I prematurely released parts of the June 1991 first report of the Standing Committee on Health and Welfare, Social Affairs and the Status of Women, henceforth entitled *Health Care System in Canada and its Funding: No Easy Solutions*, prior to it being tabled in this House later that afternoon at about 1700 hours.

I would like to inform the House that I did not release any copy, in full or in part, of the aforementioned final report; in fact, I first saw the final report after it was tabled. Neither did I release, in whole or in part, any of the draft reports despite requests by a reporter for a copy. I did, however, discuss the central thrust and message of the report with a reporter when interviewed by phone. I have since noted in the media clipping of June 19 that four of eight recommendations out of the 40 in the final report had nearly the same wording as when finally reported.

• (1540)

I must call to your attention, Mr. Speaker, that the central thrust of the information I shared with the media has been in the public domain for quite some time, either as recommendations of the many witnesses who appeared before the standing committee on health and welfare since the study was initiated in the previous Parliament or as two interim reports by the committee, the first tabled in this House on September 13, 1988 and the second on June 18, 1990 of the present Parliament. These interim reports summarize "recurring themes in the briefs and testimony of witnesses".

Nevertheless, I have since realized that I might have exceeded my enthusiasm and might have shared with the public far more of the central themes than I would wish before its tabling in this House. For this, Mr. Speaker, I apologize in case I hurt this institution of Parliament.

Second, the member for Surrey North also alleged that I misrepresented the contents of the report when I told the press: "all parties have given their support to the report".

Third, he alleged that I knew the New Democratic Party and he did not support the majority report and that I knew he "had voted against the report" and therefore I misrepresented his position. These are simply not true. Conceivably the member could even use for his defence Appendix F. I will therefore speak to it very briefly.

Appendix F, subtitled *Minority Report* and seen on page 113 of the whole report clearly states in the second sentence of the opening paragraph:

> While I would concur with many recommendations in the report, I do dissent with the report in the following areas.

And he indicated the two areas he purported gave dissenting opinions. While Appendix F suggests absence of concurrence, even this claim on his part disappears under careful scrutiny.

I wish I could examine more fully for the House today his dissenting opinions and recommendations against recommendation nos. 1, 3, 12, 17, 28, 30, 37 and 39, which I have called to the attention of the Speaker when I gave notice that I would not go through that in the interest of time.

I would, however, just like to cite two short examples. In the minority report—and I must say I did not see that prior to its tabling—he indicated in recommendation 2: "That the federal government reaffirm its commitment to the guarantees in the Canada Health Act to Canadians for a health care system that is universal, accessible, comprehensive, portable and delivered by public and private means and free of user fees or extra billing, et cetera".

Recommendation 1 of the whole report states that the federal government, in co-operation with the provincial and territorial governments, develop a clearly stated national policy on health care that is consistent with the existing Canada Health Act. Those principles are stated in the Canada Health Act.

A second example indicates: "The other major weakness of the report is that it does not put enough emphasis on the responsibility of the federal government for health promotion, protection, disease prevention and medical research".

Recommendation No. 3 of the total report states that the federal government emphasize illness prevention and health promotion, and devote greater resources to education, information, et cetera.

I wish I could discuss this at length. I can assure all my colleagues that a careful reading of the report, particularly the above-noted parts, will show mainly differences in wording but concurrence in essence and substance. Perhaps we could have persuaded him to change his mind and issue a minority report, but since I did not see his minority report I could not have known what he wrote, his claim in it and his position.

Finally, I would like to present a crucial piece of evidence, the *Minutes and Proceedings* of June 12, at which time the member for Surrey North and myself among other members were in attendance. Page 122 of the report indicates concurrence and: "It was agreed that the draft report as amended be concurred in". That is in the proceedings of our committee. Shall I say the doctrine of *res ipsa loquitur* applies?

In conclusion, I would just like to say that it is sad for a member or a colleague to use an unfounded allegation against another. It becomes even more sad when a colleague uses unfounded allegation to breach House convention.

Allow me to quote what he said:

> This misrepresentation of my position caused me embarrassment and forced me in order to set the record straight to breach House conventions and release my minority report at noon.

That was five hours before the report was released and three hours before he raised his question of privilege. He had ample time to raise his question and not breach House conventions. Is he telling the House that two wrongs would make a right?

I trust I have proven to the appreciation of this House that the serious allegations that the member for Surrey North did level against this hon. member speaking were unfounded and, should he wish to pursue his grievance further as to facts, I invite him to bring his case before the standing committee where the matter emanated and where it can properly and more fully be debated.

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I want to just make three or four very brief responses. First, the member was given notice on June 19. His office was given notice on June 19 that I was going to raise the matter.

Second, if he will read what I said in the House on June 19, I at no time accused him of leaking the report. It says clearly that the report was released prematurely. It made no reference as to who released the report.

Third, if he discussed it with the press—and as he said he went too far—that is on his own conscience. That has nothing to do with what I raised in the House.

Fourth, what I said is that he indicated that there was unanimous agreement with the report when he knew full well that I had voted in committee against recommendation 1, that I had voted in committee for not concurring in the report and that his implying to the media that I supported the government and the Liberals in their unanimous agreement on the report caused me embarrassment and forced me to clarify the situation.

I think the hon. member should simply acknowledge that he discussed too much with the press too soon and that he misrepresented my position on that committee.

Mr. Speaker: This matter was first raised by the hon. member for Surrey North on June 19, 1991. At that time, as it seemed to be a matter emanating from a committee, I did not act on the representations that were given to me. Subsequently the hon. member for Winnipeg North, as the hon. members have heard, has taken issue with some of the things that were said on June 19 by the hon. member for Surrey North.

I have listened to both hon. members who have aired their grievance, but I think the better course to follow is to view those statements by both members as certainly conscientious on each member's part although there may be a difference of opinion between them as to the effect of the various things that took place at that time.

I think that both members have had a chance to explain their position to the House and I think that we should move on.

STANDING COMMITTEE ON THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, this is the first opportunity that I have had to raise this matter of privilege. It arises from a June 5, 1991 press release from the Canadian Gas Association which I have provided to you. This press release was widely distributed and contains false statements about a committee of this House of which I am a member.

My privilege is partly a question of fact and partly a question of law. It is extremely serious for two reasons. First, the unanimous Standing Committee on the Environment report *Out of Balance* deals with global warming, an issue the committee concluded is a severe threat to Canada and to the world. Second, the statement contained on page 2 of the Canadian Gas Association press release that the standing committee "has come to agree with Canadian Gas Association statistics" is absolutely false and the Canadian Gas Association has failed to withdraw it despite contact by myself.

• (1550)

The committee dealt at length with the discrepancy between statistics and chose on page 56 of our report to print both the World Resources Institute figures and the Canadian Gas Association figures with a recommendation for an urgent investigation of Canadian Gas Association data through an independent survey.

This is an extremely serious issue because the Canadian Gas Association claimed to be less than 10 per cent of anthropogenic emissions in Canada, whereas the World Resources Institute, even though it has since reduced its estimate, is listed in our report as being 30 per cent of emissions, methane being a very serious contributor.

I believe this is a question of privilege, and I therefore move that this matter be placed before the appropriate committee, the Standing Committee on Privileges and Election, for consideration.

Although the chair of the committee is not present today, in his letter to me there is one paragraph that sums up the difficulty that all members of the committee have encountered in this situation regarding methane release. I quote from the letter of July 17 to me from the member for Rosedale, our committee chair:

> From that letter the CGA wrote a draft press release and sent me a copy. I was greatly disturbed by the wording of the release and immediately contacted the CGA to voice my disapproval. They agreed to accept suggestions for changes and incorporated them into yet another draft release.
>
> Again I voiced my disapproval with the very negative tone of the press release and the strong language used to to describe the negligence of the committee. I was so disturbed that I informed the association that I would surely go public with our own version of how the WRI data was used and why. It was sure to be very different from the CGA report.

One final note from the paragraph on the second page:

> I tried to make it clear to the CGA that the committee's report report was not misleading as their release indicated, and that we nor the CGA were aware until our report came out that WRI had published a retraction on its figures.

I close with that. I believe it is a serious matter, because the CGA press release was widely distributed and there surely is not a more important issue on earth, short of all-out nuclear war, that deserves accurate, forthright information than global warming.

Mr. Speaker: I thank the hon. member for Skeena for bringing the details of this issue to my attention prior to today. I think I should say to hon. members that I have read very carefully the letter the hon. member quoted from the hon. for Rosedale who is the chairperson of the committee in question.

Clearly the hon. member for Skeena and also the chairperson of the committee, the hon. member for Rosedale, are concerned about what happened. The House has heard the facts, but I think the appropriate thing to do at this time is to raise the matter at the very earliest convenience at the committee. After that is done, I may be able to deal with the matter further.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

REPORT OF CANADIAN GROUP

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, pursuant to Standing Order 34.1, I have the honour to present to the House, in both official languages, the report of the Canadian Group of the Interparliamentary Union which represented Canada at the Seventh Interparliamentary Conference on Co-operation and Security in Europe in Vienna, Austria, July 1 to July 3, 1991.

* * *

[*Translation*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-29, an Act respecting compensation of the public sector of Canada and to amend another Act in relation thereto.

Motion agreed to, bill read the first time and ordered to be printed.

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-30, an act to amend the Criminal Code (mental disorder) and to amend the National Defence Act and the Young Offenders Act in consequence thereof.

Motion agreed to, bill read the first time and ordered to be printed.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I notice in reading the Order Paper that what you have just tabled is listed as government bill No. 2.

Government bill No. 1 is an act to increase the judges' salaries. I wonder if the ministry is proceeding with that bill today, because it is listed on the order paper.

Would the judges get zero, three and three or would they get big, fat salary increases?

Mr. Speaker: Perhaps that is a matter the hon. member might want to take up with the minister or the judges.

* * *

PETITIONS

THE ENVIRONMENT

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, it is my pleasure to present a petition today on behalf of a number of constituents. It draws to the attention of the House that a British Columbia firm has announced its intention to dam the North Thompson River at Vavenby, British Columbia, in an effort to divert water into the San Diego, California zone.

The petitioners remind us of the Nawapa plan, which is the plan to divert Canadian waters into the U.S. and northern Mexico. They are calling upon Parliament to urge the government to state categorically that it will not permit our fresh water rivers to be dammed and diverted into the United States and to state that our Canadian rivers are not for sale.

COLLECTIVE BARGAINING

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, on another matter and again on behalf of a number of constituents from Kamloops, British Columbia, they point out that the federal government has refused to extend to public sector workers their full rights of collective bargaining. They say that the federal government wants to contract out jobs done by the public sector workers in flagrant violation of the law and existing collective agreement with its workers.

The petitioners therefore humbly pray and call upon Parliament to protect the collective bargaining rights of public sector workers and reject the imposition of wage controls and the further contracting out of jobs in the public sector.

GOODS AND SERVICES TAX

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I have the honour to present a petition calling on Parliament to abolish the goods and services tax, which has had a devastating impact on the tourist industry in Vancouver Island.

Entrepreneurs on Vancouver Island feel that this odious tax has had a devastating impact on the local economy and on the tourist business. They humbly pray that the government will remove the goods and services tax as soon as possible in view of the harm it has caused Canadians in this area.

• (1600)

MERCHANT SEAMEN

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, I have a petition from a number of people in Comox and Courtenay, British Columbia who are petitioning that during World War II Canada's merchant seamen made a critically important contribution to the defence of Canada and to the victory of the allied forces, that merchant seamen faced grave risks in carrying out their duties and many lost their lives or were seriously injured, that the risks undertaken and the value of the effort made by merchant seamen were equal to those of other Canadian forces.

The petitioners therefore humbly pray and call upon Parliament to request that the Government of Canada at long last designate Canada's merchant seamen as veterans of World War II and accord them benefits as veterans of the regular forces.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a petition signed by residents from Newfoundland, Nova Scotia, New Brunswick, Quebec and Ontario. They call upon Parliament to support the NDP plan to restore VIA Rail service cut on January 15, 1990, to maintain and where appropriate upgrade remote services on which many Canadians rely, to provide a legislative mandate for VIA Rail and to make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the western world.

ROYAL CANADIAN MOUNTED POLICE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a petition from residents of the Melford area in Saskatchewan who are petitioning the government to continue with the 70/30 cost sharing ratio between the provincial and federal governments for the payment of RCMP services so that our national police force remains visible across the country.

They object to the federal government reducing its contribution to the RCMP and those policing costs in their rural areas.

COLLECTIVE BARGAINING

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I have with me petitions from people all across Canada from every province calling on the federal government, this Parliament, to protect the collective bargaining rights of public sector workers and reject the imposition of wage controls and the further contracting out of jobs.

The federal government wants to contract out jobs, the jobs done by public sector workers, in flagrant violation of the law and existing collective agreements with the workers.

This petition calls on the government to turn that around.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, I have the honour, duty and privilege to present this House a petition certified correct by the clerk of petitions. It is signed by close to 100 Canadians living in my riding in the constituency of Hamilton West and Hamilton East, on Hamilton Mountain and the government held ridings of Lincoln and Hamilton—Wentworth.

The petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free, collective bargaining for Canadian workers.

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have the honour and the privilege to present three petitions. The first one is with respect to the goods and services tax.

The Canadians who have signed this petition point to the 34 tax increases, the devastating effect of the goods and services tax on low and middle income Canadians as well as on seniors, students and small businesses. They ask for a repeal of this tax.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a second petition from Canadians who talk about the $485 million cut to education, of the goods and services tax on books and other learning materials, on the 3 per cent tax on loans to students which just makes a mockery of competitiveness, learning culture and all of those buzz words that we hear. They ask for a fair share for Canadian students.

PUBLIC SERVICE

Mr. Ronald J. Duhamel (St. Boniface): Finally, I have a petition from Canadians who are alarmed that this government is not obeying the law as it treats with the Public Service of Canada.

They point out that senators, members of Parliament, heads of Crown corporations and others have received substantial increases, and they are angry that the poorest of the poor should be held to zero.

COLLECTIVE BARGAINING

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, pursuant to Standing Order 36, I would like to present this petition on behalf of my constituents of Kenora—Rainy River, specifically the communities of Ignace, Sioux Lookout, Sioux Narrows, constituents from Atikokan—Thunder Bay and some from St. Catharines and Halifax. It goes on and on and on.

These people of the great country called Canada would like to petition us in this place to ask the government to consider the imposition of this particular piece of legislation that we will be hearing about very shortly which in essence is going to take away the bargaining rights of many Canadians.

The question that has to be asked here is this: Are collective rights, the rights of individuals in bargaining, only acceptable during good times, yet when there are tough times ahead we can take the rights away from individuals?

The Conservative federal government is prepared to take away the bargaining rights of workers across Canada, threaten them with job losses when contracting out, interfere with conciliation and arbitration—

Mr. Speaker: I would remind the hon. member that it is not a place to make a speech. Petitions are being presented. I am sure the hon. member will want to close off.

Mr. Nault: Mr. Speaker, maybe I missed this place so much, I have become long winded.

An hon. member: Could you say you missed it?

Mr. Nault: Some of us would say we missed it and some of us would say we did not.

In closing, I would ask the government across the way and all Canadians and members of Parliament to reject the imposition of wage controls and reaffirm support for collective bargaining for individuals in Canada.

EDUCATION

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, this is a petition signed by Canadians from all over Quebec and Ontario.

The petitioners are calling on the government to reinstate a national education standard in consultation with provincial governments, educational professionals, industry and labour, parents, volunteer organizations and individual Canadians.

COLLECTIVE BARGAINING

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I have a petition with 200 signatories.

The petition is from the cities of Windsor, Toronto and area, Nepean, Hamilton, Cornwall and Barrie, just to name a few. These people are most concerned that the federal government is prepared to take away the collective bargaining rights of workers across Canada, threaten them with job losses and contracting out, interfere with conciliation and arbitration, and legislate employees back to work.

These petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm support for free collective bargaining for Canadian workers.

Mr. Joe Fontana (London East): Mr. Speaker, pursuant to Standing Order 36, it is my duty to present to this House hundreds of names from workers in London, Ontario calling on this government to get back to the negotiating table and to negotiate in good faith rather than try to undermine the collective bargaining rights and systems in this country that served it so well.

[*Translation*]

BILL C-21

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I have the honour to present a petition signed by a number of constituents in the riding of Kingston and the Islands.

[*English*]

These petitioners call upon Parliament to repeal those provisions of Bill C-21, the pernicious legislation dealing with unemployment insurance, so that all parents, whether biological or adopted, may receive the same paid leave to spend time with their new children.

CFB CORNWALLIS

Ms. Coline Campbell (South West Nova): Mr. Speaker, I have a petition signed by over 650 people in my constituency who know how dependent the communities of Annapolis and Digby counties are on CFB Cornwallis.

They also know that CFB Cornwallis provides high quality and cost effective English new recruit training for our Canadian Armed Forces. They also want this House to be aware that CFB Cornwallis has the facilities to expand and meet the needs of national defence.

The petitioners call upon this House to see that CFB Cornwallis is maintained as an English new recruit training base and expanded to meet the needs of a Canadian defence policy.

S. O. 52

COLLECTIVE BARGAINING

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I have a petition signed by 106 signatories from east metropolitan Toronto, Markham and Durham region.

The petitioners take note of the disproportionate impact of new tax increases and inflation on low wage earners and call upon the government to reject the imposition of a wage freeze on the public sector and reaffirm support for free collective bargaining for all Canadian workers.

Mr. Speaker: Questions on the order paper.

An hon. member: No.

Mr. Speaker: Before getting to Government Orders, I have several applications for emergency debates. I will deal with them in order.

An hon. member: What about Questions on the Order Paper?

Mr. Speaker: The response indicated that there were no Questions on the Order Paper today.

* * *

• (1610)

MOTION TO ADJOURN UNDER S. O. 52

FISHERIES

Mr. Jim Fulton (Skeena): Mr. Speaker, the situation in Dixon Entrance is now such that there is a real potential for a life threatening incident. Canadian fishing vessels are being boarded by armed U.S. military personnel inside Canada. The vessels are being seized, on-board cargo stolen, Canadian crews are being threatened, assaulted, kidnapped and jailed and ransom payments are being demanded without trial.

This is not a matter that can be dealt with during any of the regular proceedings, as we learned during Question Period today. It is a genuine emergency because a Canadian vessel could be seized at any moment and a growing number of Canadian skippers have expressed the view that their vessels will not be boarded inside Canada by any U.S. authorities. Firearms are present and visible now on Canadian vessels and as I can personally attest, they are visible, present and shown by the U.S military vessels marauding along the A-B line.

This situation in terms of the vessels that were seized and boarded during July and August has not been dealt with by any of the ministers or any of the departments in Canada. There have been no charges proceeded with or laid against the U.S. authorities for coming inside Canada and committing violations both found within the Criminal Code and that are contrary to international law. Even the *Lewis Reef*, a Canadian enforcement vessel, that approached the U.S. Coast Guard *Liberty* when it had the *Eliza Joye* in custody was refused the right to board the vessel.

SPEAKER'S RULING

Mr. Speaker: The hon. member has raised a matter of some importance. I also have to caution the hon. member that it is not appropriate to get into debate. I think I have the facts thoroughly and fully in front of me. It is a very serious matter. I think that all hon. members would consider that it is.

I do not think that it is appropriate at this time to proceed with an emergency debate, to adjourn the business of the House for an emergency debate today. Of course, we will follow with interest the situation.

STEEL INDUSTRY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I too rise requesting an emergency debate as to the steel industry in this country.

The Canadian steel industry is under unprecedented crisis. Since 1987 imported Canadian steel has fallen to 3 per cent of the American steel market, an all-time low, while American imports into Canada have risen from 2.5 per cent to 17 per cent, an all-time high.

Observers attribute this change in the balance of trade to the relatively high Canadian dollar and the political lobbying of American steel producers. Canadian steel producers and their families are suffering. Unless immediate action is taken to reverse this trend, the situation will become totally untenable.

I suggest a debate is urgently required to convince the government to lower the dollar and provide protection against the flood of steel imports, which has risen above 25 per cent. Unless immediate appropriate actions are taken, there is the possibility that there will be no steel industry in this country.

SPEAKER'S RULING

Mr. Speaker: The hon. member of course has given the appropriate notice for the application. This is not the first time that the matter has been raised in the House. I would ask the hon. member to continue raising it and discussing the matter with others in the Chamber.

I do not think it would be appropriate to proceed to an emergency debate today.

AGRICULTURE

Mr. Vic Althouse (Mackenzie): Mr. Speaker, as my letter to you reported, European and U.S. actions have resulted in depressed world grain prices and the real incomes of Canadian grain and oilseed producers were at record lows this year. Net incomes were at a record low in the crop year just completed a month and a half ago.

Farmers were continually assured by the government that some defence against these international prices would come forth in a third line of defence. The net income shortfall of more than $1 billion has not been addressed by the government. The crop year ended one and a half months ago.

If Parliament cannot debate this, the government seems to have the intention of forgetting about it and letting those huge debts that farm families have piled up continue.

SPEAKER'S RULING

Mr. Speaker: Facts are what I need to have in front of me, and I would ask hon. members to be careful not to stray into debate. There is a reason for that. Under the rules the applicant for an emergency debate can present the case, but other members are not allowed to be recognized to take issue with something that does stray into the question of debate.

The matter is, of course, one of importance and is well understood in this House to be so. However, I point out to the hon. member that there was extensive debate in Question Period today and there may well be in the ensuing number of days in the next week on the issue, which is as I say important, but it would not be appropriate in my view to proceed to an emergency debate tonight.

PUBLIC SERVICE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I rise pursuant to Standing Order 52 to request that you give consideration to the following.

It has been almost 20 years since Canada ratified International Labour Organization Convention 87. This freedom of association convention of the UN agency establishes the rights of organized labour. In 1987 the ILO reviewed Canadian back-to-work statutes and ruled that public inconveniences resulting from strikes "cannot justify an abridgement of the fundamental rights guaranteed by convention 87 unless they reach a point where they affect the life, personal safety or health of all or part of the population".

Nearly one-third of the Public Service Alliance of Canada's bargaining unit has been declared essential, Mr. Speaker, and are not on strike. It appears that Canada is close to breaching this important ILO convention by passing legislation to force those non-essential workers back to work. A debate on the international ramifications of this suggested government action is urgently required, Mr. Speaker, to inform the government of its international commitment and the concerns of this House for the continued respect for these intermittent national conventions.

SPEAKER'S RULING

Mr. Speaker: I thank the hon. member for giving notice of the matter which she has raised. Again, it is an important matter, as are these matters usually when there is an application for an emergency debate. It may well be that there will be sufficient opportunity, perhaps today or in the coming days, to raise the matter in full debate in the House.

FISHERIES

Mr. Ray Skelly (North Island—Powell River): Mr. Speaker, I, too, would seek the indulgence of the House to appeal for positive consideration under Standing Order 52 for an emergency debate.

This involves the fact that the Canadian pink salmon runs are in very large numbers moving through the fishing grounds into the spawning areas in record numbers, and that the processors in British Columbia have refused to buy Canadian fish. They have instead chosen to purchase Alaska surplus pink at very low costs and thereby have deprived the Canadian fishing industry from earning a living on the resource which they have spent so much money and time in developing.

The failure of the processors to buy Canadian resource while buying the American surplus stocks has resulted in the Department of Fisheries and Oceans not providing an adequate opening on the pink salmon runs. This, of course, will harm—and it is happening right now, harming the people in the fishing industry, harming the communities—and could indeed within the next few days harm spawning channels where massive surpluses of pink salmon move on to those channels and disrupt the spawning process for the preceding fish that have gone on.

There is an urgent requirement for a debate and some adjudication of this matter and little action to have it considered in any other forum. I would say that if this House were to consider it in a positive fashion that there are options with CIDA, with the food loans that have been proposed for the Soviet Union. These fisheries on Canadian fish could take place, the communities would be protected, the industry would be protected, and indeed an action of the House on this basis, if we moved immediately, would protect the resource for the future.

SPEAKER'S RULING

Mr. Speaker: Again, I thank the hon. member for giving me notice of this matter. It is certainly a matter on which the Speaker personally has some intimate knowledge, and I recognize its importance. I think there will be ample opportunity to raise it in the next few days.

• (1620)

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I too would like to request the consideration of the Speaker for the adjournment of the House for an emergency debate pursuant to Standing Order 52.

There can be no issue of greater or more urgent importance to this House than the state of the Canadian economy and the health of that economy. For this economy to once more re-enter a situation in which recessionary conditions are taking place would be one of the worst economic crises that we could face.

Today Statistics Canada released the first important economic indicator for July which shows that manufacturing across the country has declined for the first time after four months of increase. Combined with the significant rise in bankruptcies in July and the increased rate of unemployment for July and August, Canadians have good reason to fear that we are re-entering the recession.

The fact that our dollar is being—

SPEAKER'S RULING

Mr. Speaker: I hesitate on such an important matter to interrupt the hon. member, but I think the application is straying well into debate and it may very well be a debate that the House would want to hear.

I recognize the seriousness with which the application is made, but I think under the circumstances there will be opportunity to raise the matters to which the hon. member refers, certainly in Question Period and possibly on designated days. At least for now I would ask the hon. member to seek other ways of raising the matter and debating it in the House.

Mr. Langdon: Point of order, Mr. Speaker—

Mr. Speaker: Did I cut the member off? I did not mean to do that. I was just trying to indicate that perhaps his very cogent remarks were getting into very cogent debate. I thought he might use his own discretion, but I would be pleased to hear the hon. member.

Mr. Langdon: Thank you, Mr. Speaker.

I would just comment that if I were to be debating these facts, I would be doing so with considerable more force and passion than I am displaying in simply reciting these facts.

Mr. Speaker: Sometimes just the recitation of facts carries with it its own passion.

* * *

BUSINESS OF THE HOUSE

BILL C-29

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I rise under the provisions of Standing Order 53(1) and I would like to move under those Standing Orders:

> That notwithstanding any Standing Order and usual practices of the House;
>
> that, the House sit without interruption till 10 p.m. every evening, beginning September 16, 1991, to September 18, 1991, and that the proceedings on Private Members' Business and the Adjournment Debate be suspended for the duration of that period; and
>
> that, Bill C-29 be called for debate at second reading, at the conclusion of this urgent matter and that all questions to dispose of the said bill at that stage be put without further debate or amendment no later than 10 p.m.; and that the bill be referred to a committee of the whole;

that on Tuesday, September 17, 1991, at 10 a.m., immediately after Routine Proceedings the House shall begin its study at committee of the whole of the said bill and that all questions to dispose of the said bill at that stage and the report stage be put without further debate or amendment no later than 10 p.m.;

that on Wednesday, September 18, 1991, immediately following Routine Proceedings, the House shall begin consideration of Bill C-29 at third reading, and that all questions to dispose of the said bill at that stage be put without further debate or amendment no later than 10 p.m.

Mr. Speaker, the Standing Order states that in relation to any matter that the government considers to be of an urgent nature, a minister of the Crown may do as I have just done. Mr. Speaker, I do not think I have to remind the House that back to work legislation is by its nature urgent. Since 1966 it has occurred nine times. On every occasion but one, there has been agreement between opposite sides of the House to waive the usual time, the usual notices, the usual delays that are part of the legislation and to treat it with some dispatch.

In this particular instance we have reached an impasse. There are innocent third parties being hurt desperately. The grain farmers in the west, in particular, are being hurt. The Canadian Wheat Board estimates the loss to farmers at about $36 million a week and 25 per cent of the farmers are at risk of being driven off their farms this year.

We know that part of PSAC has been designated as essential service. In fact, what has happened is that the picket lines have not allowed the members designated as essential service to get to their jobs so they can perform the services. That has resulted in airlines being unable to fly. The airlines because of the drop in traffic may have to lay off some 2,500 people. Air Canada says they do not know at this time how much money they have lost because of the PSAC disruptions at Pearson Airport and other airports, but they know it is millions of dollars and more people will be laid off.

The urgency seems to me to be self-evident. The nature of the way the strike is being run with people being hurt, and the essential services personnel not being able to perform because people are precluded illegally by strikers from going to their place of work. We see line-ups at the borders; factories having to close because under the auto pact the integration of plants on both sides of the border has meant that there is a very short delay between the time when parts stop arriving and the plant must shut down. Innocent third parties who are not a part of the union, who are taxpayers, are losing their jobs, losing money while this political battle is going on with Daryl Bean.

In view of that circumstance and in view of the fact, as I have pointed out, that since 1966 on nine occasions we have had back to work legislation and on every one of those occasions but one there has been a willingness shown by members of Parliament on both sides of the House to recognize the inevitability of that action. The legislation will pass. Delaying it only puts more financial burden on the population. It only causes more harm and more disruption.

We are not asking for something that is exceptional. It has occurred in the past on many, many occasions. I would ask that we have an opportunity to treat our employees better than PSAC has treated its own.

An hon. member: Oh, nobody believes you.

Mr. Andre: In *The Toronto Star* of April 19—

Mr. Speaker: Just a moment. Perhaps, I can be of assistance to the House. I recognize the hon. member for Kamloops is rising on a point of order and I will hear him at the appropriate moment.

Just so that we know what we are doing here, the hon. minister has risen under Standing Order 53, and I am going to read it to the House.

53(1) In relation to any matter that the government considers to be of an urgent nature, a Minister of the Crown may, at any time when the Speaker is in the Chair, propose a motion to suspend any Standing or other Order of this House relating to the need for notice and to the hours and days of sitting.

(2) After the Minister has stated reasons for the urgency of such a motion, the Speaker shall propose the question to the House.

In my view, the hon. member has given his reasons for the urgency and the hon. minister has fulfilled the obligations under paragraph 2.

It is now my obligation to put the motion to the House and when done, I will, of course, hear a point of order. That has been the practice we have been following in these matters. I am going to hear the point of order before any further debate takes place.

• (1630)

Mr. Andre, seconded by Mr. Cadieux, pursuant to Standing Order 53(1), moves:

That notwithstanding any Standing Order and usual practices of the House; that, the House sit without interruption till 10 p.m. every evening, beginning September 16, 1991 to September 18, 1991, and that the proceedings on Private Members' Business and the Adjournment Debate be suspended for the duration of that period; and

That, Bill C-29 be called for debate at second reading, at the conclusion of this urgent matter and that all questions to dispose of the said bill at that stage be put without further debate or amendment no later than 10 p.m.; and that the bill be referred to a committee of the whole;

That, on Tuesday September 17, 1991, at 10 a.m., immediately after Routine Proceedings the House shall begin its study at committee of the whole of the said bill and that all questions to dispose of the said bill at that stage and the report stage be put without further debate or amendment no later than 10 p.m.;

That, on Wednesday September 18, 1991, immediately following Routine Proceedings, the House shall begin consideration of Bill C-29 at third reading, and that all questions to dispose of the said bill at that stage be put without further debate or amendment no later than 10 p.m.

I will now hear the hon. member for Kamloops on a point of order.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, of course I have no question with the appropriateness of proceeding under Standing Order 53 and welcome an opportunity to participate in the debate.

However, I am not a lawyer so I seek some guidance. The guidance that I am seeking has to do with the decision of the Public Service Staff Relations Board earlier this day. I want to take just a short moment to quote from the comment made by the board. It says: "This Board, in general, shares the views expressed in the cases cited above. The obligation provided under the Public Service Staff Relations Act to bargain in good faith and make every reasonable effort to conclude a collective agreement is not substantially different for this employer than it is for any other employer in any other jurisdiction in Canada. The insistence on conditions precedent to negotiating terms and conditions of employment at the bargaining table is incompatible with the requirement to make every reasonable effort to negotiate a collective agreement." This is a critical comment. Accordingly, the Board declares that the employer has acted contrary to section 51 of the act and orders the employer to comply with section 51 of the act.

I simply seek guidance on this point. This decision by the board obviously indicates that the government's action contradicts the spirit of the law and maybe we would even say it contradicts the letter of the law. I really seek guidance.

Now that this decision has been made is it appropriate for us to continue on as though no decision has been taken by the board?

Mr. Speaker: I am interested, of course, in what the hon. member for Kamloops has raised, but I would ask the House to bear with me for a moment so that I can explain the procedural position that we are in.

The hon. member for Kamloops is, in effect, asking the Chair to make a legal ruling and that of course the Chair is not empowered to do. The hon. member for Kamloops puts forward with some eloquence and precision arguments which could easily be used and probably will be used in debate which support the position taken by some members in the House that the legislation referred to by the minister and the notice ought not to be passed by the House, but that is essentially a question of debate.

I understand perfectly well why the hon. member has raised this. There would seem to be, at first blush perhaps, an inconsistency in the House proceeding given what the board has said.

It is not my place nor do I have the authority to make a ruling that would prohibit, or for any reason interrupt the normal proceedings of the House.

I thank the hon. member for presenting his case in a succinct way.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on the same point, I follow you and I understand your position. But I think we have to realize that we have a board, the Public Service Staff Relations Board, a creation of this Parliament under the Public Service Staff Relations Act which has said today clearly that the government, through Treasury Board, broke the law.

That is what it said in its decision today. The point is that the discretion of allowing the debate on this whole question is yours, Mr. Speaker.

I want to quote Standing Order 53(3):

Proceedings on any such motion shall be subjected to the following conditions:

(a) the Speaker may permit debate thereon for a period not exceeding one hour;—

Mr. Speaker, I put it to you that if we debate something of this nature where the Public Service Staff Relations Board has declared publicly that the government has broken the law, how can you allow such a debate?

Mr. Speaker: The short answer to that is found again in what I explained to the House with respect to my powers and the limitations on them.

Paragraph (3), to which the member for Ottawa—Vanier refers—I take the hon. member's comment seriously because he is a very experienced member—says: "Proceedings on any such motion shall be subject to the following conditions: (a) The Speaker may permit debate thereon for a period not exceeding one hour."

I take that to be a clear direction to the Speaker which is relating to time for debate and not the substance of it. There are, of course, other conditions that proceed. Debate.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker—

Mr. Riis: Mr. Speaker, on a point of order, I apologize to my hon. friend. Hopefully, I will not take much of his time.

Again I want to seek guidance on this issue because if we continue with this motion referring to Bill C-29, if this motion is adopted and if we proceed with the passage of Bill C-29, it contradicts an act that was passed by this House.

Mr. Speaker, you say that you are not in a position to pass legal judgment. We agree. Where do we seek guidance in terms of who responds to this apparent impasse and problem in terms of us going against an act that was once passed by this Parliament?

Mr. Speaker: I appreciate what the hon. member is saying and I will try to explain the matter further for all hon. members.

It may well be that there is an inconsistency, but it is not an inconsistency with which the Speaker has the power in my opinion to interfere. One of the arguments that may very well take place in the debate—I should not speculate—or maybe the very argument that the hon. member has put forward is that ultimately it is for the House to decide what it wishes to do with the bill.

It may later be for a court to decide that the House has done something that does not have the force and effect of law, but that is a matter for the court and not a matter for the Speaker.

Mr. Dingwall: Mr. Speaker, in listening to your remarks with regard to the point of order raised by my colleague to the left, and my colleague from Ottawa—Vanier, there is a message that you are delivering to this House. I wish to follow that.

Essentially, Mr. Speaker, you have now stated quite clearly why we as a national party should defeat and not support this motion which is being put forward by the government House leader at this time.

There are several points which must be taken into consideration.

• (1640)

Mr. Speaker: Again I hesitate to interrupt the hon. member except to say that I suppose there is a temptation sometimes to quote the Speaker as being in favour or in disfavour of some position taken in debate. I do want it clearly on the record that I was not trying to get into that debate at all but to stick very carefully to procedural matters.

I ask the hon. member to continue.

Mr. Dingwall: Quite rightly, Mr. Speaker, but you not I used the word "power", and the power of this Parliament can now be clearly demonstrated because of the order which has been issued by the staff relations board to defeat and not to accept this motion which is being put forward by the government House leader. That is the point, that this Parliament has that kind of power.

There are two other major issues which are pertinent to the discussion as raised by the government House leader. The first is that the bill itself, Bill C-29 I believe it is called, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, will breach a long-standing tradition in Canadian labour relations whereby the collective bargaining process is suspended for a minimum of a 24-month period.

That in itself would cause many individuals to give it the name of a Draconian law, but in actual fact it goes well beyond Draconian because it tramples the rights for which the labour community has fought for years and years and years. They have now said to Canadians from coast to coast that the collective bargaining process is no longer applicable, with all its various functions in terms of conciliation, in terms of mediation, and in terms of arbitration. That is the first point.

The second point that must be recognized is that we now have a law which will suspend the rights with regards to collective bargaining rights in this country. Now the government introduces a motion to give the boots to Parliament, that we suspend the normal proceedings here of Parliament to deal with a major subject matter facing the Canadian people. Two wrongs, Mr. Speaker, and now, as recently as today, we have heard about a quasi-judicial body. Let us use our heads; this is a board empowered by federal statute, debated and passed by this House and the Upper House. Appointments are made at will by the Prime Minister of Canada. Those individuals sit on that board in a quasi-judicial function and they have determined, not the hon. member for Cape Breton—East Richmond, not hon. members opposite, that the government, their very own government, is bargaining in bad faith and has broken the law.

In the eyes of most reasonable individuals, those are three substantive compelling reasons that we as members of the Official Opposition cannot support the government motion being put forward by the government House leader here today.

What is this, Mr. Speaker? This is a political battle. This is a politically motivated strike, conceived in PCO—and, for all of those that may be viewing television tonight, that is the Privy Council Office—orchestrated by the principal secretary Norman Spector and the Prime Minister's Office, to build up a straw man or a straw woman so that they can trample rights. They could not do it to the premiers because they are their political cousins in some jurisdictions.

They could not do it there, Mr. Speaker, so they have to find somebody they can fight, and at the end of the process hopefully they can win. Why, why would a government want to do this? I ask this Chamber: If you are at 12 per cent in the polls and are continuing to go down, if you are desperate to hang on to political power at any cost, who would be the best whipping boys and girls in this country to pick on?

It would be the secretary who is earning $26,000 a year. I do not see them picking on Bill Hopper? I do not see them doing anything with respect to the Governor of the Bank of Canada.

An hon. member: He got 35 per cent.

Mr. Dingwall: But you know, Mr. Speaker, that is Tory justice, that is Tory fairness. This is the worst, despicable display of a political opportunist in terms of the Right Hon. Prime Minister, to pick in some instances on poorly paid public servants in this country. We find that despicable.

An hon. member: Shame on the Prime Minister.

Mr. Dingwall: I see one of my colleagues from Nova Scotia trying to speak. I will be interested to hear what he has to say. In point of fact, if the government were really interested in resolving this strike, if it were really concerned about the farmers, if it were really concerned about the people who are going to our airports, if it were concerned about the men and women who work in the public service, why would it not opt for the most demonstrable act that Parliament could take and order the Prime Minister to put in place a mediator to discuss all of the issues, monetary and non-monetary? Would that not resolve it?

We know that government has difficult choices to make. We know that this strike is not popular in all parts of this country. We also know that the workers want to go back to work, that they want to have the collective bargaining process and all the rights appended thereto.

I ask you, Mr. Speaker: Is it fair for a government to bring in a bill which suspends collective bargaining rights in this country for 24 months? Is it fair for the government to introduce a motion to suspend the rights of parliamentarians to debate the subject matter of that particular bill? Is it right and fair for the government to continue to operate in the way it has to date, notwithstanding the fact that we have a quasi-judicial decision of a board whose members were appointed by the Right Hon. Prime Minister, approved by the cabinet and who have now deemed that this government is breaking the law, has bargained in bad faith and is continuing to do so.

Any decent, reasonable, respectable individual could not support—and we as a national party will not support it—the motion of the hon. member who happens to be the government House leader.

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Scarborough West—ministerial responsibility; the hon. member for Surrey North—health care; the hon. member for Markham—Whitchurch—Stouffville—Armenia; the hon. member for York West—trucking industry; the hon. member for Prince Edward—Hastings—Agriculture.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to say at the very outset that this is a very dark moment in our country's history, a very black moment in our country's history, a very scary time, when we consider that we are now about to address the most oppressive, the most Draconian labour legislation ever introduced into a western democracy.

We are going to be asked to support legislation that is clearly against working people across this country, especially working women. When we consider that it eliminates collective bargaining for federal public servants and now is extended beyond federal public servants, we have to ask who is next.

• (1650)

We shudder because this disease is creeping out from this place.

I only look to the province of New Brunswick and Frank McKenna there. This program looks good compared to what they are doing. This is at least a zero, three and three. Theirs is a zero, zero and a zero.

We remember the six and five program coming back again. It is a ploy against working people. That is why we feel it is fair to ask who is next. That is why on behalf of the party that I represent, the New Democratic Party, I am proud to say that the minute we sniffed this legislation, the minute we had an inkling of what this government was going to do in terms of this dastardly act, we did not debate it, we did not discuss it, we did not share our thoughts. We said we oppose this legislation now, now, now and we are not going to change our minds.

Talk about Stalinistic tendencies, talk about a big brother approach to dealing with your own employees. These are the men and women across Canada who for six and a half years have been asked to explain Tory policies. Can you imagine the horror that these folks have had to endure: explain and support Tory policies from Newfoundland to Vancouver Island. That is a terrible task to ask of anyone. They did their jobs and they work hard at it. We know they work hard at it because the Manufacturers' Association of Canada is saying: "Get these people back to work. We have got to get these people back to work to make our country work".

What did the government do at a time when it is asking its employees to be more productive, to work together, to co-operate with the government, to put their shoulders to the wheel, to make our economy more productive? The Prime Minister looks at the employees and says: "I don't think you're worth a plugged nickel. I don't think you're worth a single cent for an increase". I know we give increases to the Governor of the Bank of Canada. I know the head of CN gets increases. I know that we gave bonuses to our senior managers. I know that there were other increases throughout the system. For those tens of thousands of men and women who work for the government, if one thinks Brian Mulroney is a bad Prime Minister, imagine having him as a boss. Can you imagine having somebody who humiliates you publicly as an employer?

We are seeing something here today. The government is asking us to co-operate to get this Draconian legislation through quickly, to impose these shackles on our public employees as quickly as possible. We will not do that.

This is a very unique situation. On the one hand we have the government House leader standing in his place pleading with us in order to end this strike. May I suggest that the decent and honourable way to end this strike is for the Prime Minister to get in touch with the President of the Treasury Board and say: "Do the honourable thing and get back to the negotiating table and start dealing with your employees as you should be doing".

This is the largest strike of federal public employees that this country has ever seen. Never have public employees been so humiliated by a back to work piece of legislation.

I have before me a long list, going back to 1950. Other groups have been forced, through legislation, back to work, 24 as a matter of fact. There is one thing different between all of these and what this government is doing today. All of these had attempted collective bargaining. All of these groups had sat down in good faith and attempted to negotiate a settlement.

This government says: "We will not allow a collective agreement to be negotiated. We are going to impose a settlement". How Stalinistic can you be? You say to your employees: "This is the law. This is our position: zero, three and three. If you do not agree to it, we'll use our parliamentary muscle and force it upon you".

With all of these back to work legislations that we have dealt with over the years, never have they been so Draconian.

They have always been back to work legislation with a settlement based on negotiations that had taken place—they were required to back to work as a result—and then subject to an arbitrator's report. In other words, there was always something else attached to the legislation that would treat those involved with some dignity. Not this slap in the face to tens of thousands of public employees across the country.

There are all sorts of reasons why we oppose this particular motion. As we sit here at this moment, the Public Service Staff Relations Board, a quasi-judicial board, struck by an act of Parliament has said on page 10: "The board declares that the employer, Brian Mulroney, has acted contrary to Section 51 of the act and orders the employer to comply with section 51 of the act".

In other words, the board says that the federal government is breaking its own law. The federal government is breaking a law of Parliament.

Some hon. members: Shame.

Mr. Riis: Are we asking them to just ignore this? Of course not. What about the fact that section 15 of the Charter of Rights and Freedoms requires people to be treated equally under the law? This piece of legislation flies in the face of section 15 of the Charter of Rights and Freedoms. It says: "We are going to treat our employees unlike anybody else treats their employees, anywhere in the country."

We say that we believe this flies in the face of our own Constitution. It flies in the face of an act of Parliament. It flies in the face of any decent employer's relationship with its employees.

I say, for a whole set of reasons, we will not support this motion. This is a silly motion. It is a desperate motion. I suppose we ought not to be surprised, when we consider that the government introducing this motion is a government that 88 per cent of the people of Canada have lost faith in. Eighty-eight per cent of the people of Canada are saying: "Call an election Prime Minister, because we want to kick you out. We want to change the government". No wonder it is attempting something so drastic.

In closing, I want to say to my hon. friend the government House leader, and when I say "the government" I do not mean him personally, that when the government acts as a bully and pushes people around, humiliates people, fights with people, ridicules people and then asks people to co-operate and be friends, it is a gesture in futility.

I think what we are seeing across the country is 88 per cent of the people rising up in a popular reaction against this government and saying: "We are sick and tired of being bullied by the Prime Minister, his cabinet and his caucus".

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I want to say a few words about the motion before the House. I might say at the outset that any time I hear my colleague and friend from Kamloops speak, he always goes over the edge. He always overdoes it. I do not know how many times I have heard him say: "This is the worst that has ever been done anywhere in the world".

I want to speak about the effect of what is going on in the country as a result of the PSAC strike on the people of Canada.

An hon. member: Oh, oh.

Mr. Kempling: Just listen and you might learn something. I had a call to tell me that the lift bridge at Hamilton was going to be blocked by PSAC strikers. They told me they were going to come from both directions and block the bridge, stop the engines of their automobiles and walk away, abandon their cars and leave them there. That was Thursday night before the Monday strike date. What was the purpose of this? The purpose was that there were two ships sitting out on the lake waiting to come into the harbour and there were 10 ships due in over the weekend.

• (1700)

If the half dozen people who work on the lift bridge could jam up the end of the lake, I do not know what they were going to accomplish or what it was going to do for the PSAC. All I know is that it is going to shut down a lot of industries in the city of Hamilton.

Thank God the police moved in and told them: "If you leave your cars on the bridge, we will tow them away. You will be charged with the towing charge. You will also be charged with obstructing a public thoroughfare and you will also have to pay the storage charges for your vehicle".

Of course, Friday morning the cars were on the bridge. There were the police and they moved them away. They had the tow trucks lined up and ready to go.

I ask myself whether it is right that a handful of people operating a lift bridge have the right to tie up a whole harbour to shut down a bunch of industries in Hamilton so that no shipments should be received or taken out. I say that that is wrong. I do not care what the issue is.

Then we had people in manufacturing industries who have adopted the just in time delivery concept. That is the current fad in the manufacturing industry. Could they get their supplies? No. Where are the supplies? They are in trucks trying to get across the border. If one watches the television news, one would see that General Motors was flying parts into Oshawa airport on DC–3s or World War II airplanes.

What about the perishable food that was coming through the border such as fruit and so forth? It was tied up in the border traffic. This is atrocious. It should not be allowed to happen under any circumstance as far as I am concerned.

We have grain farmers in western Canada. The Minister of Agriculture spoke today about the grain piling up in the fields and about full grain elevators. The farmers cannot get it out. This should be allowed to happen. I say it is wrong. We are doing the right thing in putting forth this motion in the legislation that we are going to bring forward to see that this stops.

I am going to naturally speak in the course of the debate that will ensue I am sure once the minister's bill comes before the House. I want to reinforce what the minister said in the House today about this zero, three and three that I keep hearing from across the hall.

Zero, three and three is for everyone: the Prime Minister, cabinet, members of Parliament, members of the RCMP and the Canadian Armed Forces. Zero, three and three affects everyone.

The big lie that is out there and that is trying to be pushed by some members and some members of PSAC is that we gave ourselves an increase and now we are going to take it out of their pockets to pay our increase. That is absolutely nonsense.

Everyone knows that the contracts within the Public Service come up at various times of the year. For instance, we know that our wage adjustment came up January 1, 1991. We know that some management contracts came up in June of 1991 and others came up at other times.

Zero, three and three applies to everyone in the government who is on government payroll whenever it comes up. Ours will come up within three months.

Some hon. members: Oh, oh.

Mr. Kempling: This is typically NDP. They want to shout you down. They want others to listen to their members, but when others are speaking, they want to bellow and holler. They do not want to know the truth.

At any rate, Mr. Speaker, this motion is a good motion. I hope the House supports it. We have to get the various departments of government operating again. We have to provide services to the public that it expects. We cannot tie this country up economically for Daryl Bean or any of the other people. We hear stories about how Daryl Bean in dealing with his own Public Service union treated his own people, what increase he gave them and how he dumped a percentage of his staff off when they disagreed with his position. It is all right for Daryl Bean to do that but if anybody else does it they are terrible people.

I hope that the House will get its head as it has in previous years and pass this motion and let us move on into the bill that is going to be coming up, let it get passed and over and on with other business of the House.

[*Translation*]

Mr. Don Boudria (Glengarry–Prescott—Russell): Mr. Speaker, I welcome this opportunity to say a few words in the debate this afternoon.

First of all, let us not forget it was the government opposite that caused this strike. In its Budget, the government announced that public servants would get an increase of 3 per cent. All of a sudden it changed its mind. It backtracked and said that 3 per cent was too much, and 0 per cent would be better. That is Tory thinking for you. So 0 per cent was better. But before imposing 0 per cent, it first took good care of friends in high places. It made sure all the big cheeses in government got their share before wage restrictions were imposed.

[*English*]

After the government provoked this situation it waited and waited, hoping of course that the public servants would go on strike and then that the strike would fall apart the next day.

Well, bad luck for the government. There happened to be good weather last week, apart from all other things, and the public servants came out in large numbers. They probably would have come out in large numbers nevertheless, but even larger numbers because good weather came about, much to the chagrin of the Conservatives across the way.

They allowed this to fester for a little while, thinking that it would go away, that the strikers would back down and that the government would look hard-nosed and tough, particularly in those parts of Canada where it is hoping to appear to be emulating the western Reform Party.

Of course that fell apart. First of all it did not work. Public servants did not back down. They continued with the strike.

It is obviously true that this strike is bad for a country. Everyone knows that. It is obviously true that it is equally bad for those who are on strike in terms of getting a paycheque this week it is. However, the government is of the opinion that legislating the workers back to work or threatening to do so with a zero per cent increase is the solution.

Now let us look at what the government has done. First of all, we are back today sitting in this House and the government pretends that it is going to use every tool at its disposition to ensure rapid passage.

A while ago I heard the hon. member for Burlington talk about the urgency of putting these people back to work and how this government was really going to move ahead with this process. Well, Mr. Speaker, let me tell you what procedure it has used to get, according to the government, rapid passage of the bill. It used a motion under Standing Order 53(1)—this is the motion on which we are speaking—under which motion any 10 members can stop the debate.

Mr. Speaker, I say to you that this is a charade. Even today that government across the way does not even want to legislate the workers back. I would disagree with them for wanting to do so, but it is not even true. They are using a rule which does not work.

There was another rule that it could have used had it been serious, but I will not tell it what it is though. Maybe it is so inept that it did not know the right rule to use, but there is a rule that would have been far more effective had it been smart enough to use it. Alternatively, maybe it was just devious and pretended it wanted to start this process today and it was doing it for the media. They are grandstanding, Mr. Speaker. That is what those Tories are doing. That is what they did all summer, and that is why they provoked that strike to try and get some favourable press.

I guess when you are at 12 per cent in the polls you are so desperate you can do anything. Imagine having a 12 per cent popularity rating. I am sure I could take a public opinion poll and find that more than 12 per cent of Canadians still believe that Elvis Presley is alive. But this is the kind of popularity the Prime Minister and his friends across the way have today. As I said previously, the government is not even sincere about what it wants to do, either that or it is so inept that it does not deserve to govern because it did not even invoke the rule that would make it work if that is what it wanted.

• (1710)

I am sure the Conservatives are busy researching their book to find the appropriate rule. Fat chance that I will tell them.

Let us get to what happened today. The Public Service Staff Relations Board said, in a decision earlier today, that the government had acted in bad faith. This is not just an opinion. Listen to what they have decreed. They decreed the following: "The board declares that the employer has acted contrary to section 51 of the act." In other words, it has breached a law of Parliament. It has not breached a guideline. This is not the conflict of interest guidelines that cabinet ministers breach regularly around this House and that we have all heard so much about. That is another matter we can discuss another time. It has breached a law of Parliament.

What is the solution for this breach of a law of Parliament on the part of these people across the way? Well, their solution is to introduce a motion to pass a bill, the effect of which will be not to remove that section of that act, just to ignore it and to supersede it with something else.

[*Translation*]

One wonders, Mr. Speaker, what will happen once the government's proposed legislation is passed. What will happen for instance, if public servants take the board's decision and go before the courts and ask for the new legislation as passed by Parliament to be repealed, because it violates existing legislation?

[*English*]

I see the government House leader is with us. I am sure he has been researching why it is that he made a mistake and used the wrong rule in order to get this motion passed, or is it that he really did not want that motion passed at all, that he said: "Let us use the wrong rule and let us see what it does." Well, of course, with the right rule, according to the government, or the rule that would have worked more effectively, it could have probably got its motion passed. After all, much to my chagrin and yours, Mr. Speaker, being the objective person that you are, the government is Conservative and, of course, it still has a small majority in the House of Commons, so eventually it can get this legislation through.

It is my hope that before this process is over that the government will at least consider doing the following: that it will include in its legislation measures to give some fairness, be it the final offer selection process, a binding arbitration process, or a mediator who will have the opportunity to deal with everything, including salary. There should be something in the bill to give it fairness. There are workers out there, and they were out there earlier today, and they want to go back to work. They cannot afford to be out there now.

[*Translation*]

Like you and me, these people have financial obligations and they have certain obligations to their families. Mr. Speaker, these people deserve to be treated fairly by the government opposite.

[*English*]

At the very least, Mr. Speaker, I think the government should be sincere and forthright and tell us exactly the purpose of the motion that we are debating right now. It is certainly not the passage of it because it is not going to pass. The government knows it because it only requires 10 MPs to defeat it and there are a lot more than 10 of us on this side of the House.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, just beginning where the last member left off. It does seem odd that we are debating a motion which the government knows full well has no chance of passing in this House. At the same time the government claims that it is facing an urgent situation.

I think what is urgent, if anything is urgent at this time, Mr. Speaker, is that the government take cognizance of the fact that a body set up and constituted by this Parliament has ruled against the government, has ruled that the government was not bargaining in good faith, was not in compliance with section 51 of the Public Service Staff Relations Act. What is urgent, Mr. Speaker, is that the government which is given the responsibility of upholding the law of this land is, instead, coming to Parliament at this very moment with a false sense of urgency about ending the strike, when it could end the strike within minutes if it simply decided to comply with the ruling of its own quasi-judicial body, that it go back to the bargaining table and bargain in good faith.

I say to the hon. member for Burlington, who used the phrase "this should not be allowed to happen", I agree, this should not have been allowed to happen. This did not have to happen. This happened because the government allowed it to happen, because the government refused to bargain in good faith, because the government did not do those things that would have permitted a negotiated settlement. Instead, the government has sought to divide Canadians, to turn them against each other.

We saw in the Canada Post strike where the government and Canada Post deliberately withheld cheques, deliberately put Canadians in the position where they might develop animosity toward the postal workers. We have a government which is committed here to turning Canadians against each other.

The member for Burlington asked how can a handful of people hold up ships in the harbour—or whatever the case may be, Mr. Speaker. The Canadian people are asking how much longer will this handful of people called the Conservative caucus run this country, when they are only supported by a handful of Canadians. People are tired of being handled by this handful of disreputable people called the government. What we see out there today, Mr. Speaker, on the lawn of Parliament is not a handful of people; we see tens of thousands of workers representing tens and hundreds of thousands of honest Canadians who are saying "enough is enough is enough of this group over here".

So let us stop with the phony motions that we know are going to be defeated. Let us stop with trying to override the rulings of well constituted bodies like the Public Service Staff Relations Board. Let us have some real justice, some real respect for law, and let us have the government drop all this nonsense and go back to the bargaining table as it has been instructed to do.

[*Translation*]

Mr. Gilles Rocheleau (Hull—Aylmer): Mr. Speaker, I would like to speak in this debate and more specifically to the motion tabled by the government. I am against the motion because I feel that what we have here is an illegitimate government that is taking away one of the legitimate rights of its employees: the right to strike. I think we should consider why our public servants are on strike. It is the government's fault.

Mr. Speaker, only last February, in the Budget it brought down, the government unveiled its plans for the next three years: 0 per cent, 3 per cent and 3 per cent.

Mr. Speaker, I represent more than 26,000 public servants in the Outaouais region. These employees need the money they earn. They never wanted this strike. These employees want to work, but they do not want to work at any price.

Mr. Speaker, I deplore the present attitude of this government which not only hurts the Public Service but also hurts the private sector because in this area, the private sector is affected by the fact that the Public Service is on strike.

I don't think anyone agrees with strikes, but in this particular case, I think the government has taken undue advantage of the Public Service. Let's go back to January 1, 1991, when members had their 4.2 per cent increase, when senior management had its increases, when the President of the Bank of Canada, for instance, had his increase, and when all the upper echelons of the Public Service had received their increases. The government has used only the Public Service, secretaries, low-level employees, employees who absolutely must work, Mr. Speaker, as a tool to increase its popularity, to try to improve its standing in the polls by telling the people, "We'll get out the big stick and beat up on our public servants and show them who's boss."

• (1720)

Mr. Speaker, it is shameful and ignoble for the government to act that way. Mr. Speaker, they were getting ready today to table a bill for judges, who are people doing serious, honourable, important work, but are not the lowest paid individuals in society—

Mr. Lapierre: $140,000.

Mr. Rocheleau: They earn $140,000 a year. So the government decided to postpone this bill for a few days perhaps, whereas this morning, Mr. Speaker, my colleague from Laurier—Sainte-Marie and I went to support the public servants against this shameful action of the government—shameful!

Mr. Speaker, I have never been known as a union man or a left-winger. I have rather always been known as someone to the right, but when I see the government act in such a way, we must keep fairness in mind. They must act fairly, Mr. Speaker.

If the government gave the Public Service the right to strike in 1967, well, it should tolerate the right to strike in the Public Service! You cannot just take away the right to strike after one week, when that right was acquired legitimately, Mr. Speaker. If, instead of extending our sittings here, they had extended the negotiations with our employees, we would probably have gotten some results.

Mr. Speaker, this morning, I listened to Daryl Bean, the President of the Public Service Alliance, who said that he wanted mediation as the postal workers had a few weeks ago. Why the double standard, Mr. Speaker? It is shameful and unacceptable.

Earlier, I heard the hon. member for Burlington tell us that such strikes in essential public services should never happen. We all know that, but, Mr. Speaker, it is the government's fault that we are in the situation we find ourselves today and which has been dragging on—

Mr. Lapierre: It is provocation!

Mr. Rocheleau: It is government provocation. I see those lackeys opposite, those Tories who are just waiting for constitutional proposals. You are in one hell of a mess, but still you fail to realize that you are no longer relevant but you are taking away legitimate rights!

Mr. Speaker, on the subject of unemployment, why are there so many unemployed in Canada today? Because of this government, the very same government we owe this inflation to, Mr. Speaker. This zero percent salary increase is not a simple freeze. In fact, it amounts to a salary reduction because, with the GST, this government has created inflation and forced consumers to pay higher prices.

That is totally unacceptable, Mr. Speaker, and I hope that there will be yet more defections in the government ranks. I cannot understand why there have not been any more. How can one submit to and blindly serve a prime minister who has lost his marbles, become lackeys of a government without direction, a government that failed miserably in just about everything it has undertaken in the past seven years?

Today, Mr. Speaker, it is cracking the whip to force our civil servants—and not the best paid at that, but the poorest of them—to go back to work and so that they can bow to its every whim.

In closing, Mr. Speaker, I would like to add just one thing concerning the people of the Ottawa area, from both sides of the river. We represent in this place over 100,000 public service employees who have the right to work every day, but this government has no right abusing them and one of those days it will have to pay dearly for it.

[*English*]

Mr. Speaker: Hon. members have heard the motion. Will those members who object to the motion please rise in their places.

And more than 10 members having risen:

Mr. Speaker: Pursuant to Standing Order 53(4), the motion is deemed to have been withdrawn.

Motion withdrawn.

* * *

HOUSE OF COMMONS

DESIGNATION OF SITTING DAYS

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons) moved:

That, notwithstanding any Standing Order and usual practices of the House, the Government House Leader may, before the normal hour of daily adjournment on Friday, September 20, 1991, at any time during daily proceedings, on a point of order, designate Saturday or Sunday, or both days as sitting days;

That, on Saturdays and Sundays, the daily program be identical to Friday as specified in Standing Order 30, except that the proceedings on Private Members' Business, Statements by Members and Question Period shall be suspended;

That the Legislative Committee dealing with a bill standing in the name of the President of the Treasury Board entitled "An Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto", shall report back or be deemed to have reported back the said Bill no later than two sitting days after the referral at second reading of the said Bill:

That the provisions of Standing Orders 76(1) and 76(2) be suspended and that consideration at report stage of a Bill standing in the name of the President of the Treasury Board entitled "An Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto", be undertaken the sitting day following the tabling of the Legislative Committee's report on the said Bill;

That, if no later than 7 p.m., the sitting day prior to the consideration at report stage of a Bill standing in the name of the President of the Treasury Board entitled "An Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto", written notice is given of any motion to amend, delete, insert

or restore any clause in the said Bill, it be printed on a Notice Paper; and

That, immediately after the adoption at third reading of a Bill standing in the name of the President of the Treasury Board entitled "An Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto", this Order shall be rescinded.

He said: Mr. Speaker, I think the purpose of this motion is self-evident. It is to allow this House to sit daily, including on weekends, for the necessary time to get this important legislation passed.

May I say just parenthetically that I was reminded by a letter from a former colleague who wrote to me the other day and said: "How come we still have this archaic process of first reading, second reading, committee stage, report stage and third reading which was designed 125 years ago when we did not have these modern communications? It was designed in a day when it was—

• (1730)

Some hon. members: Oh, oh.

Mr. Speaker: The hon. minister is letting us know what he received in a letter and he might let us know what he mailed back too. The hon. minister.

Mr. Andre: Mr. Speaker, there has been some comment by a number of people in the last few months, most particularly I suppose by the Spicer commission, about the decorum in this place; the barracking, the shouting down, the not allowing members to speak, the rather childish behaviour that we see. I am quite prepared, as I have earlier this afternoon, to sit silently to listen to the opposite side.

I would hope that out of respect for those who look to this institution for leadership and guidance that we in fact would have the same courtesy and that those who feel compelled to speak would simply submit their names to their House leaders and they will have an opportunity to do so. In the meantime common decency would dictate that the polite thing to do is to allow a member to speak.

As I was indicating, this former colleague who wrote and talked about these practices said that he was particularly struck watching the other jurisdictions who seem to have had more modern procedures. However, that is a subject for another day.

In the 1991 budget the government laid out its plan for economic recovery, a recovery that not only puts the recession behind us, but which also leads us towards continuing growth and prosperity. The Organization of Economic Co-operation and Development projects that Canada will lead the G-7 nations next year as a result of the budget process we have in place.

We did not deny in the budget however that it would be necessarily easy, particularly in view of the opposition we faced from those in our society who do not agree with our approach because ours is not an approach for more government intervention. It is an approach which calls for less interference by government, recognizing that if growth is to be strong and ongoing, the economy must be free from undue restrictions and we are being attacked on that position.

Our approach calls for less government spending, not more. We are also being attacked and challenged at every turn by those who do not agree with this approach. Indeed, daily in Question Period, including today, we have had calls from the opposition to spend more money on this and that, worthy causes to be sure. Unless one is willing to stand up and say: "I want more money spent on this and I am willing to see taxes increased or the deficit increased or the government cut back on some other area to fund this program", they are not acting responsibly. You cannot keep demanding more and more without admitting that what you are asking for is more money from the taxpayers.

The taxpayers have said: "We have had enough. We have had enough paying to government for them to distribute. We want that money left in our own pockets". They are saying: "We think the deficit is too high. We are leaving a terrible legacy and we want you to bring the deficit and debt down". They are saying that every time we cut some government service to keep to this fiscal plan: "We don't like what you have cut".

That is the difficulty, but it is a difficulty that has to be faced by responsible people and we are doing that.

Our approach is based on less government spending, lower deficits and as a result, lower interest rates and we are seeing the success of that interest rates keep coming down. Our plan for economic recovery will bring about even lower interest rates through the following actions: clearly achievable inflation targets of 3 per cent by the end of 1992, 2 per cent by the end of 1995. Lower inflation and lower expectations will lead to lower interest rates. The plan calls for us to put government finances firmly on the course to a balanced budget. We cannot keep borrowing from the future generations to finance our spending today.

By reducing the deficit and the debt we will remove one of the more serious pressures on inflation. We are extending the expenditure control plan. We have released our discussion paper on spending caps legislation and we will move, as soon as we can, to pass the legislation which will create the debt servicing and reduction fund.

The third key element of the plan is the restraint of government spending. We state in the budget that operating budgets will be frozen at current levels and the wages and salaries of cabinet ministers, MPs, all Order in Council appointments and all federal public servants will be tightly restrained—zero, three and three.

There has been a lot of misinformation about the senior public servants. I would remind members of the House what in fact occurs in terms of senior public servants. Under a structure put in place by the previous government, there is an outside committee that looks at the salaries of senior civil servants, that looks at comparable rates in the private sector and makes a recommendation to the government. They recommended for the period of time June 1, 1990 to June 1, 1991 that the increase be 6.2 per cent, I believe. We said no because we had introduced the budget with the 0 per cent and for that period it would be 4.2 per cent, but as of June 1 it would be 0 per cent for senior managers, no increase that people are talking about—0 per cent.

During that period of time from September 1, 1990 to September 1, 1991 PSAC got 4.8 per cent. They start at different periods. It is wrong to suggest they got an increase, it was for a period of time that ended last June. They were due for another increase June 1 and that increase is 0 per cent. They will be due for a 3 per cent increase next year on June 1 under this plan and public servants would be due for an increase of 3 per cent next September 1 and members of Parliament will be due for a 3 per cent increase January, 1993. So we are all getting 0 per cent.

This false information of suggesting that somehow some other group has been looked after is simply that, it is absolutely false.

Now anyone who makes the claim that we propose this wage package to public servants in order to pick a fight or to cause a strike forgets about the budget. Presumably they also question the motives of other sectors and governments in society who are also asking for restraint from their employees.

I remind the House that the Government of New Brunswick negotiated an agreement and two months later rolled it back and froze the salaries. The Government of Nova Scotia did the same thing. The Government of Quebec, the Government of Newfoundland, the Government of Manitoba and the Government of Saskatchewan put in restraints. In my city, as a result of restraint in the oil and gas industry over the last two years, 14,000 employees in the oil and gas industry have been laid off. They do not have job security, they are laid off because of the state of the economy.

Who in this House is going to say we want higher oil and gas prices so that those individuals will not be laid off? Who in this House is going to say we want higher taxes so that we can pay the public servants higher rates? Who is going to have the integrity to be honest that the money comes from the taxpayers' pockets and you are going to have to raise the taxes if you are going to give away more of that taxpayer's money to whomever? When you have the integrity to do that you deserve to be listened to, but until then, screaming and yelling and putting out false information does not impress those who have the responsibility to look after things.

The hypocrisy of some is beyond belief. April 19 in *The Toronto Star*, Leslie Papp reporting from Vancouver stated: "Delegates at the Public Service Alliance of Canada convention voted to slash the union's budget by $1.8 million each year over the next three years, leaving 14 staff positions vacant and another six to be cut by attrition." They cut out staff of PSAC's own employees. Worse, after voting, delegates walked past upset employees asking them where they were working next week. Is that your pink slip? "The comments left two of the union workers in tears", staff members said. Then they all got together and said: "Accusing Ottawa of committing economic crimes". "This government will not listen to reason", is being said.

• (1740)

Then he said he understood why the staff was bitter. It has got to be frustrated, but we are in a tight situation. He is not in a different situation than us. He had an option. He could have raised the fees. He could have raised the union dues to pay these employees and not lay off 20 people. He could have borrowed the money to

keep these employees on staff so they would not be laid off. He said he could not do that.

He says that we must dip into the taxpayers' pockets to take more taxes to give to the employees and that we must borrow more for this next generation to do that. He would not do it for his employees.

Talk about a hypocrite. He says that we are trying to pick the strike.

Mr. Speaker: I would ask hon. members to confine their remarks if they do insist on heckling to comments that are not likely to cause disorder in the House and I am sure I do not have to say that again.

The hon. minister has the floor.

Mr. Andre: Mr. Speaker, on September 13 in *The Ottawa Sun* Ron Corbett reports that he was called by a person who was on strike at home, not on the picket line, who said he felt he should be at work but was afraid to cross the picket line.

He is a former union representative, he was president of the local.

> In May he quit his union post.
>
> "The more I saw, the more convinced I became that this wasn't a union for the workers, it was a union for the people at the top".
>
> My caller says his dissatisfaction with PSAC started last year, when the support staff at PSAC headquarters went on strike—and Daryl Bean played hardball.
>
> The PSAC workers were looking for 5 per cent wage increases—

Remember, this is at a time when members of PSAC itself got 4.8 per cent.

> Bean, who handled the negotiations personally, offered only 3 per cent. It's the same amount, we all know, that the federal government once offered Bean.
>
> At one point during the conflict Bean went so far as to lock his workers out of PSAC headquarters, and that riled my caller to no end.
>
> "I don't think any union man should lock out his workers—the whole affair struck me as utter hypocrisy, a case of 'do as I say, not as I do.'"—
>
> —Bean told him later that the workers should be happy with 3 per cent because their benefits were better than those of workers in the private sector, and any way, the union was short of money.

Well, well, well. When the President of the Treasury Board says we have pretty good benefits for our employees but we are short of money, we are outrageous, we are terrible, we have no concern. When Daryl Bean does it, oh, well, that is all right.

Then members opposite stand up and say that we tried to trigger a strike.

Here is what the caller said to Ron Corbett:

> I'm convinced that Bean wanted a strike. It was important to him that he turn PSAC into a powerful, militant union.

He goes on to say that the strike was never about wages or a new collective agreement. It was about power.

CUPW is another labour situation that has not been resolved. They offered and imposed on their employees 2 per cent over 18 months, half of what they went on strike for at the post office.

Shirley Carr says we are in a street fight. "Security, we demand security. We demand that you stop contracting out. We demand that you stop privatizing and deregulating. We demand security for these employees".

The CLC negotiated job security out of the contract it had with its own employees six years ago. Work for the CLC six years ago and you had job security. Work for the CLC today, you do not. It was negotiated out by the same Shirley Carr who says that we are treating our employees unfairly.

It is ironic in many ways that we have these statements by Bean and Parrot and Carr and Bob White. It is frustrating. For contrary to their own actions the unions are asking us to do things they have chosen not to do for their own workers.

They want us to raise taxes or borrow the money in order to meet their demands. Our choice has been to restrict spending, the same choice unions are making. We think it is a responsible choice in the best interests of all Canadians.

I am tired of the accusations about members of Parliament. Since 1984, the inflation rate has been 29.6. Members of Parliament salaries have gone up 17.6. We did get the travel allowance. Not mentioned in any of these discussions is that for the last several years in a row, each year according to formula, the travel expenses of public servants have been raised. The per diem expenses when they are on the road have been raised. Their fringe benefits have been raised all along the line. People insist on talking about our fringe benefits, but not those fringe benefits. Let us look at the whole package.

The President of the Treasury Board has said he is willing to talk about more in terms of security, fringe benefits and adjustments if there are people who are on a scale that makes it difficult for them to live. The union has said, "no". Daryl Bean has said: "No. We will not discuss anything until you get off your 0–3–3. Only when you get off that".

In other words, he is saying: "Only until you express your willingness to tax more or to borrow more to pay for my members, even though I am not willing to do that for my own employees".

Five Public Service unions have already settled for 0–3–3. You do not read about that. They have settled. They have agreed. They have said: "Yes, we recognize that we are in a tough position". They have said: "Look, at a time when airline employees are being laid off and oil and gas employees are being laid off; at a time when 25 per cent of the farming community is in tough shape; at a time when we are just coming out of the recession and it finally looks like our children might not have an impossible debt burden to deal with, we do not think it is unreasonable for us to join everybody else in the country in saying zero for a year. We do not think that is an unreasonable sacrifice". Five unions did that.

There is no question that the leadership of the labour movement is against us. I have seen Shirley Carr and Daryl Bean on television saying that this is not a political strike. That is what it is. It is not the welfare of the employees that they are looking after. It is a political strike. We have the CLC, CUPW, Canadian Auto Workers, Judy Rebick of the NAC and others joining together in a political fight. They are using the cause of the workers to pursue a political objective. Their concern about the workers is two faced by virtue of how they treat their own workers. This is a political fight. That is fine. We have a responsibility to the taxpayers of this country, to the future generations of this country, to ensure that in the pursuit of political objectives this country is not hamstrung and crippled so that we have no opportunity to meet the challenges that are demanded of us in the years to come.

The reality is that the budget brought in earlier this year is the right budget. The Organization of Economic Co-operation and Development, the International Monetary Fund, international groups have applauded Canada for its path. Ironically, we are suffering for it.

My friend over there mentioned the Canadian dollar. It is an irony that we are perceived by the rest of the world as doing so well that the movement into Canadian dollars is causing us problems. The dollar is too high. Foreigners like our currency because they perceive that the government is doing well. That is one of the ironies. It is something we have to deal with.

It is regrettable that this motion is necessary. As I have said, out of the nine times in the past when back to work legislation has been introduced, on all but one occasion there was recognition by the opposition that it simply made sense that we get together and agree to have appropriate and reasonable debate. Nobody wants to cut off debate. After debate you decide. That is what we are looking for. Reasonable debate and decision.

• (1750)

Unfortunately, Mr. Speaker, it requires the co-operation of the House to do that. We cannot delay any longer, so I am putting forward this motion which will put some limitations on the stages, but would require us to sit over the weekend so that we can get it done.

Just to ensure that the motion itself has an opportunity to pass, I would like to give notice that at the next sitting of the House, immediately before the Order of the Day is called for resuming debate on Government Order No. 4 in the name of the government House leader, and on any amendments proposed thereto, I will move that the debate shall not be further adjourned.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, in listening to the government House leader and his references, I would remind members of this House of the words and the way in which he presented his arguments when he made reference to the president of PSAC, made reference to the president of the Canadian Labour Congress, and made reference to the president of the Canadian Auto Workers union and their representatives. I asked myself the question: I wonder why Canada has such great difficulty competing in the international community when our own government cannot pull it together, labour, business and government. That, obviously, is the answer as demonstrated by the remarks and the veracity of the remarks of the government House leader. I think it is utterly

shameful as to what he has said here this afternoon, Mr. Speaker.

The member opposite makes many references to certain items which he believes to be important. The hon. member has served in this House for a considerable length of time. I would ask him to reflect upon what was said on page 8 of a decision which was rendered today by the Public Service Staff Relations Board. Again, I repeat, it is a statute of this House, duly passed by this House, and consists of members appointed by the Prime Minister and approved by the cabinet.

Here is what this decision reads in part:

> Labour relations boards in various jurisdictions have held that to insist on preconditions before bargaining for a collective agreement is contrary to the requirement to bargain in good faith.

For example, and they cite a particular case, Rolf, Clarke Stone Packaging, 1980, The Ontario Labour Relations Board. They go on in this particular case to say that the narrow issue here is whether the respondent's conduct complied with the Board's order to bargain in good faith and make every reasonable effort to make a collective agreement. It goes on to say other things.

Suffice it to say, Mr. Speaker, that the board, a government duly appointed board has now made the decision, a quasi-judicial board, saying that the Government of Canada has bargained in bad faith.

Is there any wonder that we as a country trying to compete with other countries have such difficulty when our own government bargains in such bad faith with labour, with a major component of an economic unit such as labour? It is very obvious to me and my party, Mr. Speaker, that what has happened here has been a game, and I might add with some regret, a great deal of regret in point of fact, being played by the government in order to uplift, if you will, its political standings by playing on the mood of the Canadian public, who are somewhat agitated by the drawbacks that this strike is having across the country.

If the government was so concerned, if it were really concerned about resolving this dispute, why can it not appoint a mediator? That is part of the collective bargaining process. But it is swinging this way, it is swinging that way. The Conservatives want to have this matter before Parliament. They are trying to drag it out. They are trying to incite—and I use that language respectfully, Mr. Speaker—through acts of provocation, union representatives and individuals across this country to have violent confrontations in order to substantiate and legitimize what we now know is an act to suspend collective bargaining, what we now know is an act by Parliament to put the boots to Parliament, what we now know is a breach of the cornerstone of free collective bargaining in this country called bargaining in bad faith. We know all of those things. They are trying to create the emergency, and they are doing a pretty good job. But does it not play right into the hands of a government which is desperate to hold on to political power at any cost? It is not I, Mr. Speaker, who has used the word "power"; it has been the word used by the government House leader opposite, who said in the Chamber today that this is a game about power.

Raw political power we are seeing here, Mr. Speaker, and I am confident that in the end, in the final analysis, Canadians will come to recognize that the actions of the Prime Minister, of the front line ministers, the McDougalls and the Clarks and the Mazankowskis and the Wilsons, and the respective constituencies that they represent—

An hon. member: They don't represent them.

Mr. Dingwall: Ah, that is the key phrase. That is the key phrase. They represent one thing, Mr. Speaker, and that is their political friends and their political cronies. We find it despicable, Mr. Speaker, that we have had to come in this country to this kind of confrontation.

The question I ask members of this House: Have we seen it elsewhere? It is Brian Mulroney's way, the Prime Minister's way, or no way. Did we see it before, Mr. Speaker? And we are going to see it again, as evidenced here with this particular piece of legislation. I say this to the viewing public tonight: Note the procedural gymnastics of the government opposite in order to draw to the attention of the Canadian people a sense of urgency, hoping that there will be conflict on the picket lines, hoping that there will be confrontation between innocent individuals to render their decisions, their Draconian decisions, as being legitimate.

Mr. Speaker, one wrong does not make it right; two wrongs do not make it right; and three wrongs certainly makes it very wrong for this Parliament and for this government to proceed the way in which it is proceeding here today.

In closing, in the few minutes that I have before it reaches the hour of six, there are other things that have to be stated and put on the record, which my leader will do tomorrow, because I presume we will be proceeding directly to second reading. But there are issues of great importance. The government House leader has talked about the issue of contracting out, or has refused to talk about contracting out. Bill C-26, which was passed by this House, provides for layoffs in the event that work loads are contracted out. Well, last year five billion dollars—five billion dollars—was spent through contracting out.

Now, I ask this House, do they think it is a political slush fund? Are there any Tories who have benefited from the contracting out?

An hon. member: You had better believe it.

Mr. Dingwall: Have the young workers across this country who are within the Public Service and elsewhere really benefited from this?

Some hon. members: No, no.

Mr. Dingwall: I suggest to this House and to the viewing public here tonight, Mr. Speaker, that the five billion dollars which has been spent on contracting out is another form of the Brian Mulroney patronage that we have seen in this country and are sick and tired of in this country.

The government House leader makes no reference whatsoever in terms of what the conciliation boards have said, and I will close with this quote, Mr. Speaker. Here is what they said on all monetary issues and rates of pay. Here is what the conciliation board reported—duly appointed by the government as well as appointed by the union representatives—and I quote:

> All of the above issues are directly monetary matters. Obviously, the key to their solution is an agreement on basic wage increases. However, while the union positions on wages are flexible, the employer's position is presented as being totally inflexible.

What nonsense this government is trying to put forward today in the House of Commons.

• (1800)

I argue through you, Mr. Speaker, that we will not be a part of a government which is selecting individuals who are members of unions and are suffering because of the incompetence of the government opposite.

I wish to call it six o'clock, Mr. Speaker.

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-2, An Act to implement conventions between Canada and Finland, Canada and the Czech and Slovak Federal Republic and Canada and the United Mexican States for the avoidance of double taxation with respect to income tax and the prevention of fiscal evasion and a convention between Canada and the United Mexican States for the exchange of information with respect to taxes.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MINISTERIAL RESPONSIBILITY

Mr. Tom Wappel (Scarborough West): Mr. Speaker, on June 11 of this year I put a question to the Right Hon. Prime Minister in connection with ministerial responsibility. This question arose around the drama of the Al-Mashat affair, as it has now come to be called. We did not have an opportunity in the close confines of Question Period to address some of the points that I mentioned in the question.

I do not wish to talk about the Al-Mashat affair specifically. What I want to concentrate on is the issue of ministerial responsibility. What I would like to do is try if at all possible to put my point succinctly and if possible to get a straight answer from the government.

In my question I referred to a little booklet of some six pages, which is entitled *Notes on the Responsibilities of Public Servants in Relation to Parliamentary Committees*. It is put out by the Privy Council Office. It was put out in this case in December 1990.

For those who are not familiar with the Privy Council Office, of course it is the highest office for public servants in this land and provides guidance to those public servants on how they should behave.

In my question I quoted a couple of paragraphs of this little booklet. In responding, the Minister of State and Leader of the Government in the House of Commons, proceeded to lecture me on the McGrath committee of 1985 and what occurred in the McGrath committee. Of course, that is totally irrelevant because that took place many years before the publication of this document. This document is recent. It is less than one year old and it was given the blessing of the Privy Council Office. It says very clearly the following, and I quote from page one:

> Ours is a system of "responsible" government because the Government must retain the confidence of the House of Commons and because Ministers are responsible to the House for everything that is done under their authority. They are answerable to Parliament and its committees. It is Ministers who decide policy and Ministers who must defend it before the House and ultimately before the people of Canada.

That is on page one of this very short booklet. On the last page of this very short booklet, page six, there is a recap. Remember that this is a booklet that public servants are expect to read and are expected to follow in their conduct when they appear before committees.

It is reiterated in the final paragraph and I quote:

> It is Ministers, and not officials, who exercise the constitutional authority of the Crown; and it is Ministers, and not their officials, who are responsible to Parliament. Officials are accountable to Ministers.

I asked a very simple question in connection with those two paragraphs. I thought it was clear, non-partisan and simple. Will the Prime Minister confirm that this is the policy of his government? Surely a yes or no answer would have sufficed.

A document produced by the highest civil servant to be followed by the rest of the civil servants, I ask very simply: Is this the policy of this government. I am asking again. Could I please have a yes or no?

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I listened carefully to what the member had to say.

I was a member of the McGrath commission as was his colleague, the member for Papineau. One of the clear statements made by that commission was that while ministers of the Crown are responsible, they cannot be exclusively responsible because every department in government is so large that you cannot expect the minister to know everything that is going on in the department.

I want to respond more specifically to what the member has to say to put to rest any concerns he might have concerning the state of health of parliamentary democracy as it exists in Canada today.

In our system of government, the powers of the Crown are exercised by ministers who are in turn answerable to Parliament. The exercise of these powers for which ministers are constitutionally responsible to Parliament provides the foundation of responsible government.

This system of government enables Parliament to focus responsibility for the conduct of government on those of its members who hold ministerial office and who ultimately must personally answer to Parliament and hence to the electorate for their actions and the actions of their subordinates.

Ministers are supported in the exercise of their responsibilities of the Public Service whose duty it is to give loyal, professional and non-partisan support to the government of the day.

Public servants are responsible to ministers. They have no constitutional responsibility to Parliament, nor do they share in that of ministers. They do, however, support ministers in their relationship with Parliament and to this extent they may be said to assist in the answerability of ministers to Parliament.

Ministers fulfil their responsibilities and are called to account by the House of Commons for the exercise of their statutory authority in accordance with practice and convention. This accountability is and has been well noted by eminent authorities and those who have political responsibility.

The way in which ministers exercise their responsibility for the actions of their officials will depend upon the circumstances and whether an official has acted, for example—

The Acting Speaker (Mr. DeBlois): I am sorry but the time is over.

HEALTH CARE

Mr. Jim Karpoff (Surrey North): Mr. Speaker, I rise to elaborate on a question I posed in June.

Canada is facing a crisis in health care and it is based on two things. The cutbacks by the federal government and transfer payments that the government was anticipating.

Those cutbacks by the turn of the century will amount to $2.4 billion or about $10 billion a year. This year alone the cutbacks are crippling the provinces' ability to deliver health care. All one has to look at is cutbacks to health care, particularly in the weaker provinces of Newfoundland and the other Atlantic provinces. Newfoundland had to lay off 10 per cent of its nurses.

In my home province of British Columbia, the cutbacks amounted to a loss of income of $500 million this year. In the province of Ontario, it was $2.5 billion this year in money that it had been promised to provide health care to Canadians.

What does this mean in my community, Surrey, which is one of the fastest growing communities in Canada? It means that we have 1.1 acute care beds per 1,000 population instead of the 3.3 that is necessary. Forty per cent of the population must leave its own community to receive basic health care.

The federal government's response is that we should be putting more money into preventive health care. Surrey, because of the cutbacks, is not able to provide the preventive health care that is necessary.

• (1810)

We are 35 full time public health nurses short in the municipality of Surrey. We are 27 health inspectors short. These are the people who provide preventative services that save money down the road. One of the things that is threatening our health care is the cutback in the transfer of funds. The other is the erosion of national standards.

This government has waffled when it comes to upholding national standards. Right now we have three things happening that are threatening national standards with the introduction of user fees in Canada.

We have the Tory convention clearly saying and going on record that it wants to introduce user fees.

The province of Quebec has introduced user fees in some emergency hospitals. This government has not taken any action in relation to that and shows no indication that it is going to take any action and uphold the Canada Health Act.

In my province we have the premier, Rita Johnston, that great Socred. In B.C. we know what Socreds are. They are just a combination of Liberals and Tories who get together to form power. The premier has come out supporting the introduction of user fees.

What we have in Canada is a threat to our national medicare program. I would like the government to clarify what its commitment to national medicare is, that is a partnership between itself and the provinces with joint and equal financing and with the federal government setting standards it will uphold.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the federal government is unequivocally committed to supporting our national system of medicare and the five principles of accessibility, universality, comprehensiveness, portability and public administration will be protected.

The government this year provided over $16 billion in transfer payments under the EPF, Established Programs Financing. This is double the amount the federal government transferred to the provinces just ten years ago.

Maintaining the national standards of underlying medicare is not just about money. Canadians realize that both federal and provincial governments cannot endlessly allocate substantial new financial resources to meet the increasing costs of health care. Most provincial and territorial task forces and commissions have acknowledged that more money is not the answer to the problem in health care.

The federal government has to ensure that health care costs remain affordable. To do this, it must join all the stakeholders in the field of health, be it the government, health care professionals or consumers of the health care services. Everyone has to participate in seeking and implementing solutions to the challenges that are facing us.

The federal government has already laid the ground work for ongoing dialogue and possible approaches to improve the health care system.

One example is the positive and very beneficial meeting between the federal and provincial health care ministers last June and also their agreement to a follow-up meeting this week.

Another example is the creation, in conjunction with our provinces, of the Canadian Co-ordinating Office on Health Technology Assessment.

The federal government welcomes all contributions of the stakeholders to this debate on how we can improve a good health care system. We can improve it, we can alter it, we can streamline it, but we will preserve it.

* * *

ARMENIA

Mr. Bill Attewell (Markham—Whitchurch—Stouffville): Mr. Speaker, on Wednesday, September 18, I will be leaving Canada to journey to Soviet Armenia. I will be Canada's official observer at the referendum for independence which is to be held on Saturday, September 21.

An aide from our embassy in Moscow and Vazken Tertian are accompanying me. Mr. Tertian is a Canadian Armenian leader who lives in Thornhill.

This will be an historic trip for both of us, but it will be an emotional visit for Mr. Terzian. Born in Lebanon, this is the first time Mr. Terzian will visit Armenia where his parents were born.

His parents had to flee Armenia during the 1915 massacre. His father to be was three years old and his mother to be was four years old at the time. Thousands of children had to flee. His parents walked almost 1,000 miles in search of freedom. This cruel and arduous ordeal took six months. His mother's aunt was the only adult to help them. His family eventually settled in Lebanon.

In 1920, Armenia was taken under communist rule as a result of the revolution. This communist yoke was to last 70 years. Finally, with the growth of Gorbachev's Perestroika and Glasnost, the flames of freedom burned.

In December 1989 the oppressive communist regime was buried with a democratically elected Parliament in Armenia.

The next milestone in Armenia's fight for democracy and freedom was in August of 1990 when the newly elected Parliament put forth a road to independence.

This road to independence included the plan for a democratically conducted referendum on independence. This referendum will, as I said earlier, be held on Saturday, September 21.

Both Vazken Terzian and I are thrilled and honoured to have the opportunity to be in Yerevam, the capital of Armenia, to witness this historic referendum with our own eyes.

While we fully expect overwhelming support for the referendum, it is important that the referendum be conducted with absolute integrity and fairness.

We will be monitoring the process by investigating the preparation of voter lists, finding out how ballots are distributed and other details such as the identification necessary for voting.

We want to ensure that results are tabulated correctly and fairly. These are just a few of the many steps that we will be monitoring.

I am proud to say that this will be my second trip to Soviet Armenia. My last visit was in March 1989. It was a sad journey. I led a group of Canadian Armenians to examine the tragic devastation caused by the December 1988 earthquake. My good friend Apkar Mirakian, from Scarborough, was one of the Canadian Armenian leaders on the trip.

It was physically and emotionally exhausting to visit the ravaged sites and to witness and learn about the incredible death and destruction that occurred.

On our trip, Mr. Mirakian and I had the thrill of attending a special service on Easter Sunday at the Atchmiazin Cathedral.

I have tremendous respect for the resilience displayed by Armenians over the past decades. They survived the genocide of 1914–15. They survived 70 years of communism.

There are still problems to be settled in Azerbaijan where human rights violations continue.

The Acting Speaker (Mr. DeBlois): Order, please. I apologize for interrupting the hon. member, but are you making a statement? I do not understand your speech. Have you a question for the government?

Mr. Attewell: I do but I wanted to outline the importance of the trip and this independent movement. I do want to ask, in terms of the human rights violations in Azerbaijan, can the parliamentary secretary tell me if that is being dealt with expeditiously?

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, first of all I want to congratulate the member from Markham for the opportunity to represent Canada during the vote that will be taken in Armenia during this week, actually on September 18. It is a delight for all of us who have enjoyed democracy for so many decades and centuries to see these people, who have suffered the scourge of totalitarianism and communism for so many years, experiencing now the light of freedom in their lives.

• (1820)

Along with that, I might add, how energized we are to see what is happening in the Baltic states and the independence that those people in the Baltics are enjoying now after having been denied the democracy that is so rightfully theirs for these 50 years.

I am pleased to say that the government has chosen to send the member from Markham to Armenia to make sure that the human rights violations are, if possible, non-existent, that a vote is honest and accurate. The minister just very recently met with members of the community in Toronto, just 10 days ago, to assure them that Canada is on their side. Wherever there is an opportunity for people to experience the flourishing of democracy and free speech, free thought and free action, we want to be with those people.

I therefore wish the member Godspeed and hope that what he experiences there is unimpeded democracy during the vote that will be held just a few days hence.

Adjournment Debate

TRUCKING INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise in the minutes available to me to review in this Chamber a question I had the opportunity to pose to the government, namely to the Minister of Transport, on May 14, 1991.

If we cast our collective minds back to that period, we will remember that instead of the Public Service union protesting outside Parliament's door today, it was truckers from across the country, particularly from the province of Ontario.

Truckers came to Ottawa because they are literally being run off the road by American competition. We, on this side, are not saying that a Canadian trucker and a Canadian industry cannot have the technology and the will and the determination and the work ethic to compete with their American counterparts. But what we are saying is that because of the size and the differential in the size between the American and the Canadian trucking industry, the fuel costs, the depreciation costs, the tax structure costs, it is simply an unlevel playing field.

To simply sit back, as this government is doing, and say to the Canadian truckers and the industry that they should not worry but should go out there and compete in the name of free enterprise, is irresponsible.

It is also irresponsible to promise something and do absolutely nothing. The predecessor to the current Minister of Transport last summer in Windsor, when they had a blockade, said that he was going to take the issue to cabinet and that he was going to make the financial changes required for the trucking industry to compete. He then said he was going to study all the factors and unleash a series of seven task forces to study the industry inside out and report back with the intention of ushering in some action and some much reform and change.

Where is the change? Where are the modifications? On April 22, 1991, I wrote the minister to say that we were getting another series of blockades because another year had passed by and nothing had changed. On April 24 we appealed once again to the minister who basically did not lend us or the trucking industry his ear nor that of his government.

What happened was that on May 13, like the workers outside our doorstep today, enough was enough. They basically rallied in frustration, losing their pay per day, and they stayed here several days and many of them could not afford it. But they basically appealed to Parliament to listen to their concerns. We presented on a parliamentary day that we initiated an entire parliamentary debate focused on the trucking industry. We were not strident, we were not negative. We offered a nine-point program which we felt with all sincerity was legitimately addressing the concerns presented to us. That was on May 17, and the minister promised to look at it, to release the reports and take action on the recommendation of the reports. It is now September 16 and nothing has happened. The minister has said nothing and done nothing. What I am advocating and what we are hoping for, Mr. Speaker, with the fresh start that presents itself to the Chamber and to the government particularly, as fall is a symbolic start of any school or of any chamber, we are looking for a symbolic and a very practical change of heart as it relates to the trucking industry. I hope my hon. friends on the other side will begin that process today with an answer and with a promise to make things better.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am glad the hon. member has raised this issue today so that we can get a few facts on the table.

The Minister of Transport has had several productive meetings with the task force on trucking issues. This task force was established last year to give the industry a forum for discussion of industry problems and for consultation with the government. Members of the task force represent shippers, carriers, unions and owner-operators. Last July the minister advised the task force that the government is prepared to consider the need for some form of transitional assistance to the industry and asked for their input.

The Minister of Transport and the Minister of State for Transport met again last week with the task force. At that meeting the task force gave the ministers their recommendations for transitional assistance. As the minister explained at that meeting, the next step will be for him to take these recommendations both to his provincial and federal colleagues. It is the minister's intention to meet with his provincial colleagues in Winnipeg later this week. Provincial participation is clearly a key element.

It is interesting to note, Mr. Speaker, as I am sure the hon. member has, that studies on the trans-border trucking competitiveness that were commissioned by the task force did not substantiate the claims from the opposite side of the House about the tax burden for our truckers. Indeed, the studies proved that because of the introduction of the GST, the tax burden of Canadian truckers is about the same as that of American truckers. In fact, Mr. Speaker, as a result of the goods and services tax, the federal tax on diesel fuel has actually been reduced by three cents a litre.

I am very aware, as is this government, that the trucking industry has been hard hit by the recession. Thankfully though we have begun to hear from sources both inside and outside the industry that the outlook for the future is improving as the recession ends.

The Minister of Transport is committed to fostering a Canadian trucking industry that meets the needs of the Canadian economy and a strong economy will benefit all participants in the trucking industry itself.

AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, on May 31 of this year I asked a question of the Minister of Agriculture regarding the situation faced by the fresh apple industry in Canada.

The Canada Farm Products Marketing Council has recommended to the minister the establishment of a national marketing agency for fresh apples. This was after the council held hearings in the fall of 1990 across the country, especially in the five major apple growing provinces.

I was pleased that in his answer on May 31 that the minister indicated he would do what the growers asked him to do. And I am here again tonight to stress that I hope the minister follows up on that.

The apple industry, the fresh apple industry in particular, but all of the industry—but we are talking about the fresh apple industry here this evening—is an important industry. There are 8,000 apple farmers in Canada, producing 500,000 tonnes of apples per year and employing 15,000 Canadians.

The problems facing fresh apple producers in Canada is one of both price and world overproduction. During their extensive hearings, it was demonstrated time after time that the major predicament facing Canadian growers is one of price. In 1989 the average producer received 9.5 cents for apples that cost him over 14 cents a pound to produce, a tough way of doing business.

The Farm Products Council has accepted the recommendations of the producers. I would like to just very quickly go over those, Mr. Speaker. They are a very excellent group. They address the concerns that Canadians have about marketing agencies and speak very well to them.

First, this system would ensure reasonable returns to efficient producers. There will be a high level—one-third of apple imports into Canada. Quota will have no value. There will be no shortage of apples due to supply management. There will be incentives for growers to produce high quality apples of the varieties wanted by Canadian consumers.

• (1830)

The agency will be oriented toward promoting the demand for apples and is in strict compliance with the terms and conditions of GATT and the free trade agreement.

My question to the government is this. When is the government going to begin to put into motion the recommendations of the Farm Product Marketing Council and the vast majority of Canadian apple growers, and take immediate steps to launch a national marketing agency for fresh apples for the benefit of all Canadians?

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in response to the hon. member, at the request of apple growers, the National Farm Products Marketing Council began an inquiry into the merits of establishing a national apple marketing agency. The report of the council was released on May 8, 1991. Although the report recommends the eventual establishment of a national apple agency with all of the powers under section 22 of the Farm Products Marketing Agencies Act, there are a number of steps which remain to be taken before an agency can be proclaimed.

These steps include the development of a more detailed marketing plan and the need to take into account the principles of second generation supply management, as well as Canada's international trade obligations.

The development and implementation of an effective national apple agency will require the close co-operation and participation of provincial governments as well. To ensure that the views of the provinces are taken into account early in the process, the minister initiated discussions with them and has asked for input from the apple producing provinces on the report of the council. This includes New Brunswick, Nova Scotia, Quebec, Ontario and British Columbia.

The Minister of Agriculture has also requested input from the Minister of Industry, Science and Technology, the Minister for International Trade and the Minister of Consumer and Corporate Affairs on the implications for Canada's trade obligations and the processing sector, as well as the impact on consumers.

Only after consultations with provincial governments and cabinet colleagues, will the government be in a position to provide further direction to the National Farm Products Marketing Council and the apple growers on the next steps in the process.

I think the member would agree that those processes have to be followed.

In the meantime, we would encourage apple growers to continue their efforts toward developing an improved apple marketing system. It was recognized by growers during the inquiry that there are a number of issues which must be addressed by apple growers to improve their marketing system. These include information systems, apple pricing, promotion and trade data. Agriculture Canada has provided $50,000 in financial support to the apple committee of the Canadian Horticulture Council and to assist in analyzing the problems with the present marketing structures and to assess options and make recommendations for incorporation into the development of a long-term marketing strategy for Canadian apples.

This information will be of great benefit to the industry in planning for the future.

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

The House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Tuesday, September 17, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, pursuant to section 36(8) of the Standing Orders I have the honour to table, in both official languages, the government's response to 187 petitions.

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

* * *

ORDER IN COUNCIL APPOINTMENTS

TABLING AND REFERENCE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, while I am on my feet, I am pleased to table in both official languages a number of Order in Council appointments which were made by the government pursuant to the provisions of Standing Order 110(1). These are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

POINT OF ORDER

REQUEST FOR STATEMENT BY MINISTER OF NATIONAL DEFENCE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on a point of order. I notice that the Minister of National Defence is not in the House to make a statement at this time, and I can appreciate the scheduling difficulties. I am wondering if the House would agree to allow us to revert to ministerial statements at three o'clock to allow the Minister of National Defence to make a statement to the House.

Mr. Speaker: The hon. member has raised a matter for the consideration of the House. Of course it can be done if there is consent. I look to the hon. parliamentary secretary for his response.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I have not had a chance to consult with the Minister of National Defence this morning, so may I bring that to his attention? I will certainly come back to the House and advise the House as to whether or not we can do that.

Mr. Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

EXTRADITION ACT

MEASURE TO AMEND

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-31, an act to amend the Extradition Act.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

COPYRIGHT ACT

MEASURE TO AMEND

Ms. Barbara Greene (Don Valley North) moved for leave to introduce Bill C-269, an act to amend the Copyright Act (fair use).

She said: Mr. Speaker, I am pleased to present this bill once again. In the last session I was very pleased to have an hour of debate on this issue and then it was unanimously referred to the committee, which never considered it. I think one of the frustrations of being a backbencher is that it takes so long to get any issue of importance to your constituents considered.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1010)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, the following questions will be answered today: Nos. 2, 11, 20, 22, 23, 24, 25, 28, 31, 32, 36, 37, 54, 56, 61, 63, 64, 65, 66, 67, 68, 71, 77, 78, 79, 83, 86, 88, 91 and 93. I am surprised nobody called bingo.

[*Text*]

Question No. 2—**Mrs. Maheu:**

Since 1989, how much has the government spent on the establishment of the Race Relations Network headed by Dr. Ralph Agard?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 5 hours and 5 minutes

Approximate cost: $92.

I am informed by Multiculturalism and Citizenship Canada as follows:

Since March 1989, a total of $50,676 has been spent towards the establishment of the Anti-Racism and Human Rights Network.

Question No. 11—**Mr. Caccia:**

For each fiscal year since 1988, how many (a) person years (b) dollars have been devoted to research on the effects of climate warming on (i) lakes (ii) fisheries (iii) forestry (iv) wildlife (v) ocean resources, and from which departments or programs were they obtained?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 20 hours

Approximate cost: $360

I am informed by the Departments of Fisheries and Oceans, Environment and Forestry as follows:

Insofar as the Department of Fisheries and Oceans is concerned the estimated DFO annual resources since 1988 spent directly on the effects of climate warming on lakes, fisheries and ocean resources are:

			88/89	89/90	90/91
				AP	
a)	(i)	Lakes	–	–	–
	(ii)	Fisheries	8	8	8
	(v)	Ocean Resources	2	2	2
				* $000's	
b)	(i)	Lakes	–	–	–
	(ii)	Fisheries	80	80	80
	(v)	Ocean Resources	20	20	20

These numbers exclude salaries and logistic support such as shiptime.

Insofar as the Department of the Environment is concerned:

For the four year period 1988/89 to 1991/92, the following Canadian Wildlife Service A– base resources have been allocated to:

		a)	b)
(i)	Lakes (i.e. wetlands)		
	North American Waterfowl Management Plan	0.2PY	41K
(iv)	Wildlife:	a)	b)
	Western & Northern Region	1.0PY	7K
	National Wildlife Research Centre	1.0PY	3K

These are total, not annual, expenditures for the four year period.

Insofar as the Department of Forestry is concerned:

(iii) Climate Change and Forestry was first separated as a budgetary activity in fiscal 1989–90. Previously, work done in this field had been included under another activity entitled "Impact of Atmospheric Pollutants on Forests".

FY 1989–90 Total PY allocation 3.0,	$ 16,000	O&M.
FY 1990–91 Total PY allocation 9.2,	$ 185,700	O&M.
	$ 37,000	capital

Question No. 20—**Mr. Boudria:**

Did the Customs and Excise Division of Revenue Canada cause to be produced a poster highlighting a logo and the words "A Proud New Image" and, if so, (a) what is the purpose of this poster (b) who prepared the artwork (c) how many copies were produced (d) was any of the work attributed by public tender (e) to whom was the poster sent (f) what was the total cost to the taxpayer?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 4 hours

Approximate cost: $72.

I am informed by the Department of National Revenue as follows:

Customs and Excise Division of Revenue Canada produced a poster highlighting a logo and the words "A Proud New Image".

The purpose of the poster was to inform the Canadian public and the Customs and Excise employees of the new departmental identity which provides a quick and easy recognition of all Customs and Excise material. Until then, there was no common symbol for Customs and Excise.

The poster was created by the design firm Banfield Seguin and some 12,000 copies were printed.

Before commencing the work on the poster, the Communications Branch invited two designers to discuss their ideas. It was decided by a committee created within the Department to hire the firm Banfield Seguin.

The printer for the poster was chosen by DSS.

The poster was distributed to all Customs and Excise employees and to various offices of Customs and Excise.

The cost of designing the poster and submitting camera-ready artwork with colour separation was $2,171. The cost of printing the poster through DSS was $4,950.

The standardization of one common graphic for use by both Customs and Excise means significant savings.

Question No. 22—**Mr. Rideout:**

With respect to the anticipated 1993 closure of Canadian Forces Base in Moncton, has there been any change in the scheduled closing date, and if so, what was the rationale or basis for such change?

Mr. Albert Cooper (Parliamentary Secreatry to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 7 hours and 20 minutes

Approximate cost: $134.

I am informed by the Department of National Defence as follows:

In April 1989, it was stated that the closure would occur over a three year period beginning in 1993. Plans are not complete, but it is still anticipated that the final closure of CFB Moncton will occur in 1996.

Question No. 23—**Mr. Rideout:**

Has the Department of National Defence called for a contract for the construction of a new supply depot in Moncton, N.B. and, if so, (a) how many responses have there been for this contract (b) when is the awarding of the contract anticipated?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 6 hours and 55 minutes

Approximate cost: $126.

I am informed by the Department of National Defence as follows:

Stage 1 of the Request for Proposal for construction of a new supply depot in Moncton, New Brunswick was completed in December 1990.

a) There have been twenty (20) responses to Stage 1 of the Request for Proposals.

b) Current plans call for the contract to be awarded following the completion of Stage 2 of the Request for Proposal process. The timing of the release of Stage 2 has not yet been determined.

Question No. 24—**Ms. Campbell (South West Nova):**

With respect to the Groundfish Development Program under the Atlantic Fisheries Adjustment Program, (a) how many proposals have been approved in Nova Scotia (b) what are the (i) names (ii) locations of the successful applicants?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 4 hours

Approximate cost: $72

I am informed by the Department of Fisheries and Oceans as follows:

The silver hake portion of the Groundfish Developmental Program was approved on March 20, 1991 and the following six companies in Nova Scotia were given allocations:

1. Nova Scotia Dragger Fishermen's Association—Yarmouth

2. IceKing Seafoods Ltd.—Bedford

3. D'Eon Fisheries—West Pubnico

4. Laurence Sweeney Fisheries—Halifax

5. Arctic Fisheries Ltd.—Yarmouth

6. Kwitamaqney Corporation—Cape Breton

The following companies were given allocations from the remaining stocks under the program on May 23, 1991:

1. National Sea Products Ltd.—Halifax

2. Clearwater Fine Foods Inc.—Bedford

3. Marque Resources—Bedford

Question No. 25—**Miss Campbell (South West Nova):**

With respect to the Fisheries Alternatives Program under the Atlantic Fisheries Adjustment Program, (a) how many proposals have been approved in Nova Scotia (b) what are the (i) names (ii) locations of the successful applicants?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 5 hours and 20 minutes

Approximate Cost: $98.

I am informed by the Atlantic Canada Opportunities Agency as follows:

With respect to the Fisheries Alternatives Program under the Atlantic Fisheries Adjustment Program, there have been 11 proposals approved in Nova Scotia. The names and locations of these successful applicants are as follows:

1. Town of Shelburne, Shelburne, N.S.

2. Shelburne County Business Development Centre Limited, Shelburne, N.S.

3. St. Francis Xavier University, Antigonish, N.S.

4. Beverly Spears, Little Dover, N.S.

5. Sandy Kavanaugh, Canso, N.S.

6. Shelburne County Boatbuilders Association, Clarks Harbour, N.S.

7. Guysborough Tourist Complex Limited, Guysborough, N.S.

8. Lockeport Recreation Enterprises Limited, Lockeport, N.S.

9. John Jarvis Holdings Limited, Whitehead, N.S.

10. The Dorian Motel, Canso, N.S.

11. Louisbourg Harbourfront Park Limited, Louisbourg, N.S.

Question No. 28—**Mr. Whittaker:**

1. Did the government issue a pamphlet in the beginning of 1991 regarding Child Resistant Packaging, subtitled Information for Seniors, and if so, (a) from which department were the funds allocated from (b) from what specific budgets were the funds obtained (c) what are the overall amounts of the budgets (d) to whom were these pamphlets sent (e) what method was used in determining the recipients of these pamphlets (f) what is the total cost of distributing these pamphlets?

2. Was the contract for this printing put out to tender (a) was the cost of black-and-white printing considered over full-colour printing (b) what was the cost difference between black-and-white printing and full-colour printing (c) what is the total cost of printing this pamphlet?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 11 hours and 20 minutes

Approximate cost: $204.

I am informed by the Department of National Health and Welfare as follows:

1. Yes

(a) As part of the Department of National Health and Welfare's increased communication emphasis, and in follow up to concerns over the misappropriate use and reliance on child-resistant packaging (CRP) that is intended to deter but not stop all child poisonings, the Department authorized publication of a pamphlet.

(b) Funds were allocated from the Drugs Directorate operating budget.

(c) The overall amount of this budget was $13,919,321.

(d) The pamphlets were sent to all recipients of Family Allowance and Old Age Security cheques.

(e) Family Allowance was chosen as a distribution vehicle as this method identifies on a national basis all families with children that may be impacted. Old Age Security recipients were also selected, again as a universal distribution mechanism, to reach grandparents who are caregivers and have children visit their home. Seniors have recognized difficulties with CRP and, therefore, often do not properly close the containers.

(f) The total cost of distributing the pamphlets subtitled Information for Seniors was $2,949.00.

2. The contract for printing this pamphlet was put out to tender.

(a) The cost of black-and-white printing was considered.

(b) The cost difference between black-and-white and full-colour printing was $5,808.68.

(c) The total cost of printing this pamphlet was $52,806.11.

Question No. 31—**Mr. Murphy:**

Since June 6, 1990, has any correspondence or communications been exchanged between the Prime Minister, the Prime Minister's Office, the Privy Council Office, any Cabinet Ministers and/or their agents and the Members of Parliament for Lévis, his lawyer or anybody working on behalf of the Member for Lévis, on the issue of Bill C-79, and, if so, (a) list the correspondence and communications (b) in any of the communications and/or correspondence was there a request for action with regard to Bill C-79, and, if so, list the persons who made the requests.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 3 hours

Approximate cost: $54.

There was no correspondence or communications exchanged between the Privy Council Office and the Member of Parliament for Lévis on the issue of Bill C-79. A copy of Order in Council P.C. 1991-813 dated May 7, 1991 was faxed to the Member of Parliament for Lévis on May 7, 1991 from the Privy Council Office.

As for any communications between the Prime Minister, the Prime Minister's Office, Cabinet Ministers and the Member of Parliament for Lévis, it is not the policy of the Government to divulge communications between Members of Parliament and Ministers.

Question No. 32—**Mr. Murphy:**

Since June 6, 1990, has any correspondence or communications been exchanged between the Prime Minister, the Prime Minister's Office, the Privy Council Office, any Cabinet Ministers and/or their agents and the Member of Parliament for Lotbinière, his lawyer or anybody working on behalf of the Member for Lotbinière, on the issue of Bill C-79, and, if so (a) list the correspondence and communications (b) in any of the communications and/or correspondence was there a request for action with regard to Bill C-79, and, if so, list the persons who made the requests.

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 3 hours

Approximate cost: $54.

There was no correspondence or communications on the issue of Bill C-79 between the Privy Council Office and the Member of Parliament for Lotbinière.

As for any communications between the Prime Minister, the Prime Minister's Office, Cabinet Ministers and the Member of Parliament for Lotbinière, it is not the policy of the Government to divulge communications between the Members of Parliament and Ministers.

Question No. 36—**Mr. Young (Acadie—Bathurst):**

How many classification audits of Departmental Public Service positions were completed in 1988, 1989 and 1990 and, in each case, what were the findings for each department?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 5 hours and 25 minutes

Approximate cost: $97.

I am informed by the Treasury Board Secretariat as follows:

See attached.

During the 1988-89 biannual audit, 3,303 positions throughout the Public Service were audited. Two hundred and forty-eight, or 6.4 per cent of the sample, were considered to have been incorrectly evaluated. This is a significant improvement over the results of the last audit conducted in 1985-1986 when 11 percent of 3,568 positions were found to have been incorrectly classified.

Annex A shows the departments audited and the results for the biannual audits of 1988-1989 and 1985-1986.

The third triennial audit has been underway since February 1991. The departments should have completed their reports before the end of February 1992.

ANNEX A

DEPARTMENT	PERFORMANCE 1985–86	PERFORMANCE 1988–89
PSC	96.0%	96.1%
IDA	95.8%	96.0%
CAE	95.0%	96.0%
DND	95.0%	95.0%
CSC	95.0%	93.0%
SEC	94.0%	94.4%
JUS	92.6%	92.0%
DVA	92.2%	94.0%
LAB	92.2%	92.0%
COM	92.1%	90.2%
NHW	92.0%	98.0%
NCC	91.4%	----
DFO	91.0%	93.0%
EIC	91.0%	96.0%
EXT	91.0%	96.0%
DOE	90.4%	92.9%
TBS	90.1%	94.4%
AGR	89.8%	92.0%
EMR	89.0%	88.0%
ARC	88.9%	88.8%
NLI	88.9%	93.3%
CTC	88.9%	----
RIE	88.0%	----
CCA	87.3%	97.0%
DSS	87.0%	87.9%
MOT	86.0%	97.3%
IAN	84.8%	93.5%
FIN	80.4%	100%
STC	79.2%	87.0%
RCMP	78.6%	94.0%
NMC	78.6%	----
TAX	78.0%	92.0%
DPW	70.6%	93.0%
TOTAL	**417 of 3,568 positions incorrectly evaluated (11%)**	**248 of 3,303 positions incorrectly evaluated (6.4%)**

Question No. 37—**Mr. Young (Acadie—Bathurst):**

For the classification audits of Departmental Public Service positions prior to 1988, have all the observations made relative to over classification etc. been corrected and, if not, which departmental audits have not been corrected and when will these be corrected?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 5 hours and 32 minutes

Approximate cost: $98.

I am informed by the Treasury Board Secretariat as follows:

See attached.

The results of the 1985–1986 biannual audit showed 417 of a total sample of 3,568 positions had been incorrectly evaluated (11 percent error rate). Based on available information, the vast majority, if not all, of the proposed corrective measures have been implemented to our satisfaction.

Since the last audit, Treasury Board Secretariat has introduced a number of control measures to ensure that each year the departments undertake classification control and audit activities. Reports are produced quarterly and annually for Treasury Board review and analysis in order to rate the departments on the quality of their classification control systems. Only departments which have received a "Fully Satisfactory" rating and maintain a rate of incorrect decisions below 10 percent are granted increased classification authority.

This annual report is also one of the elements used in the comprehensive evaluation of the departments.

Question No. 54—**Mr. Wappel:**

Is Charles Ng presently enrolled in any inmate pay programs, and, if so, (a) which program (b) what level of inmate pay is he receiving?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House Commons): Time required to prepare this answer: 4 hours and 5 minutes

Approximate cost: $74.

I am informed by the Department of the Solicitor General as follows:

Charles Ng is on an inmate pay program.

(a), (b);

Specific information pertaining to Mr. Ng's involvement in programming as well as the level of pay he may be receiving is personal information about Mr. Ng and therefore cannot be disclosed as it would contravene the *Privacy Act*.

Federal inmates may earn anywhere from $5.25 to $6.90 per day in an institution, depending on their performance on the job. Inmates willing to work but who are not working because of job shortages, medical reasons or lack of supervision receive a base rate of $1.60 per day. Inmates who refuse to either work or participate in institutional programs are not paid.

Question No. 56—**Mr. Manley:**

What is the total cost that the government will incur for the complete relocation of (a) the Canadian Space Agency to St. Hubert, Quebec (b) the National Energy Board to Calgary?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 18 hours and 35 minutes

Approximate cost: $334.

I am informed as follows:

a) Industry, Science and Technology Canada:

The total cost incurred to date by the Canadian Space Agency in relation to its relocation to St. Hubert is $334,488.

Public Works Canada:

The Canadian Space Agency (CSA) is presently located in leased premises at 500 René-Lévesque Boulevard West in Montréal, in a building belonging to TRIZEC. The lease commenced January 1, 1991, and will terminate December 31, 1992, with two six-month options available.

The CSA occupies 2, 744.6 m2u (3,012.6 m^2r) of office space spread out over several floors with nine interior parking spaces, at an annual cost of $1,054,259.37. The Agency also occupies 50.2 m2u (55.2 m2r) of storage space in the basement of the same building at an annual cost of $7,672.14.

The total to Public Works Canada for the interior fit-up of the Agency was $411,688.64.

b) National Energy Board:

The NEB estimates that the relocation of the Board's operations to Calgary will cost $20.5 million. In addition, it is estimated that the department of Public Works will incur incremental cost of $6 million to lease and fit-up office accommodations for the Board. Eighty-five percent of these costs, or $22.5 million, will be recovered through cost recovery charges.

The cost related to the relocation of that portion of the Board which was transferred from the Canada Oil and Gas Lands Administration (approximately 15 percent) will be excluded from cost recovery.

The actual costs incurred by the government will be some $4 million.

Question No. 61—**Mr. Hovdebo:**

1. With respect to the CIDA funding cuts to contracts for (a) CUSO (b) OCSD (c) Canadian Teachers' Federation (d) Canada World Youth (e) Canadian Crossroads International (f) CECI (i) what specific criteria were used to select each organization for cuts (ii) were the organizations consulted concerning these cuts and, if not, why not, (iii) why were these contracts not honoured (iv) will the anticipated savings of the CIDA funds as a result of these cuts be placed in the ODA program reserve?

2. Does CIDA anticipate any further cuts to (a) the above noted organizations (b) other organizations?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 6 hours and 20 minutes

Approximate cost: $115.

I am informed by the Canadian International Development Agency as follows:

1. i) CIDA has used the following criteria for each of the organizations mentioned:

—to make funds available to meet urgent new requests for official development assistance received or anticipated by the Government;

—to maintain support for the activities and programs identified as the main responsibilities of these organizations:

—not to jeopardize the viability of these organizations.

(ii) No, because decisions resulting from the tabling of the February budget and the March estimates could not be finalized until just before the 1991-92 fiscal year began. CIDA hastened to make them available to partner organizations as quickly as possible, that is, before the fiscal year was well under way.

(iii) CIDA does not have contracts with the NGOs mentioned, but rather contribution agreements. Multi-year contribution agreements between CIDA and Canada World Youth, Canadian Crossroads International, OCSD and the Canadian Teachers' Federation had to be amended owing to limited budgetary resources and the large number of new demands on official development assistance budget. Contribution agreements with CUSO and CECI had not yet been signed when the budgets for these organizations were announced. Furthermore, payments for multi-year contribution agreements are also subject to an appropriation by the Parliament of Canada for the fiscal year in which the payment is to be made.

(iv) The funds saved will be used to meet the new demands on the official development assistance budget.

2. a) No further reduction in CIDA's contributions to the organizations mentioned is planned in 1991-92.

b) No further reductions are planned for CIDA's contributions to other organizations whose funding levels were reduced in 1991-92.

Question No. 63—**Mr. Laporte:**

Has money from the Canada Pension Plan been loaned to the federal government or to a provincial government and, if so, (a) which governments owe money to the Canada Pension Plan (b) how much does each government owe (c) what are the repayment arrangements (d) what rate of interest is being charged on outstanding loans?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 3 hours and 45 minutes

Approximate cost: $69

I am informed by the Department of Finance as follows:

Money from the Canada Pension Plan has been loaned to the federal and provincial governments.

(a), (b)

The governments owing money to the Canada Pension Plan as at March 31, 1991, and the amounts owing are as follows:

Newfoundland	781,175,000.00
Prince Edward Island	168,166,000.00
Nova Scotia	1,428,780,000.00
New Brunswick	1,058,357,000.00
Québec	136,076,000.00
Ontario	17,042,716,000.00
Manitoba	2,031,122,000.00
Saskatchewan	1,686,077,000.00
Alberta	4,534,771,000.00
British Columbia	5,298,482,000.00
Yukon	3,726,000.00
Norhtwest Territories	0.00
Canada	3,492,216,000.00
Total	37,661,664,000.00

(c) The repayment arrangements consist of semi-annual interest payments on the principal amount and full repayment of the principal at maturity. The maturity date for all outstanding loans is twenty years from the issue date.

(d) The rate of interest being charged on outstanding loans varies as outlined in the Canada Pension Plan—Part III, Section III, Paragraph (2)(a). The Act states that the rate is calculated as follows:

"in the case of an obligation having a term to maturity of twenty years, on the basis of the average yield to maturity as determined by the Minister of Finance of all outstanding obligations of the Goverment of Canada that are not limited or restricted as to the negotiability or the transfer or assignment thereof and that have terms to maturity of twenty years or more, weighted according to the amounts of those obligations then outstanding, —".

Question No. 64—**Mr. Laporte:**

What steps has the CRTC taken towards implementing recommendations of PSAC 2000?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 5 hours and 5 minutes

Approximate cost: $92.

I am informed by the Canadian Radio-Television and Telecommunications Commission as follows:

The Commission, in the spirit of PS2000 had, in the Fall of 1990, initiated an internal consultative process with employees. Known as the Employee Consultative Committee (ECC), its objective was to allow employees the opportunity to identify issues and concerns in their work environment.

The process was structured around focus groups animated by a professional in the management communication field, and supported by questionnaires completed by staff. The process resulted in a report identifying close to 70 recommendations for change dealing with every aspect of the work environment from air quality to improving management styles.

Senior management of the Commission gave the ECC report its approval and support, and established, in the spring of 1991, the "Task Force for Revitalization", a committee of six employees with a six month mandate to act as a catalyst for change within the Commission. The Task Force's role is to implement, as soon as possible, all recommendations of the ECC report that prove feasible.

Two months into the Task Force's mandate, several initiatives have begun to address employees' immediate concerns, such as overcrowding of office space and an orientation program and kit for new and existing employees. The Task Force is also addressing the broader questions of career development by, among other things, examining the possibility of establishing an assignment program. The question of how the operational budget concept and management accountability will be introduced is being addressed by a pilot project in three branches. A complete review of the performance appraisal system is being undertaken, including the introduction of an incentive and awards system.

In terms of the PS2000 focus on service to the public, the Commission had, prior to the tabling of the PS2000 White Paper, undertaken internal reviews on streamlining its operations in both broadcasting (Ross Task Force) and telecommunications (Sherman Task Force). Each of these studies had a specific goal of improving turnaround time of decisions and public notices and reducing the associated costs to the Commission's clients.

In addition, because of the nature of its regulatory system (primarily through the public hearing process), the Commission has always undertaken extensive consultation with its clients as part of its policy formulation and decision-making process.

Question No. 65—**Mr. Karpoff:**

1. Has the government been supplied with a list of tobacco (a) additives (b) constituents as required by sections 17 and 19 of the Tobacco Products Control Regulations?

2. Is the government aware of the presence of such additives and constituents as (a) propanediol (b) glycerol (c) diethylene glycol (d) triethylene glycol (e) D-sorbitol contained in (i) tobacco (ii) wrappers (iii) filters (iv) main or sidestream smoke and, if so, is the government aware that such substances can cause cancer?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 9 hours and 5 minutes

Approximate cost: $169.

I am informed by the Department of National Health and Welfare as follows:

1. Yes.

2. (a), (b), (c), (d), (e) and (i), (ii), (iii), (iv)

The information provided under sections 17 and 19 are considered to be trade secrets by the tobacco industry whose members have requested confidentiality. This request to confidentiality legally prohibits the Department of National Health and Welfare from answering whether these chemicals actually are being used by the Canadian tobacco industry.

The chemicals referred to by the hon. member can be used as humectants by the tobacco industry to promote retention of moisture. Of the five chemicals, for only one, diethylene glycol, is there limited evidence of carcinogenicity in animals. The International Agency for Research on Cancer (IARC) has yet to establish whether this compound is a potential carcinogen. The other four chemicals have not been shown to be carcinogenic in studies conducted to date.

Question No. 66—**Mr. Karpoff:**

Has the Department of National Health and Welfare audited all accounts connected with the National AIDS Research Program in respect to the establishment of a National AIDS Registry and, if so, (a) what were the findings (b) were usual standards of accounting and project management adhered to (c) has the advice of the Auditor General or other outside source of professional advice been sought to ensure that such standards will apply to federally-sponsored research projects?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 8 hours and 5 minutes

Approximate cost: $145.

I am informed by the Department of National Health and Welfare as follows:

The Department of National Health and Welfare requested the Audit Services Bureau of the Department of Supply and Services to carry out an audit of the University of Toronto's accounts with respect to a Contribution Agreement between the University and the Department for the design phase of a Treatment Information System for AIDS/HIV (TISAH). This audit was for the period June 15, 1990 to December 31, 1991.

(a) The audit found that expenditures of $386,870 were appropriately incurred against this project, subject to the

acceptance by the Department of one non-arms length transaction in the amount of $27,000.

(b) The audit included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as the auditors considered necessary to conduct their audit.

(c) The Auditor General periodically reviews the Department's contribution programs; the Department implements recommendations made as a result of these audits. All contribution agreements of the Department contain a clause which requires the recipient of Contributions funding to maintain appropriate financial accounts and records. The right of audit by the Federal Government is a standard clause in all such contribution agreements.

Question No. 67—**Mr. Karpoff:**

Has the Department of National Health and Welfare taken a public position against the Canadian Radio-Television and Telecommunications Commission Public Notice 1990-86 entitled "Proposed Amendments to the Television Broadcasting Regulations, 1987, Radio Regulations, 1986 and Specialty Services Regulations, 1990" regarding the advertising of hard liquor beverages and, if so, what is the budget of the department for anti-alcohol abuse advertising on broadcast media for the fiscal years (a) 1989-90 (b) 1990-91 (c) 1991-92?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 6 hours and 55 minutes

Approximate cost: $125.

I am informed by the Department of National Health and Welfare as follows:

The Department of National Health and Welfare has taken a public position against the CRTC Public Notice 1990-86. The Public Notice specified that public comments should relate to specific evidence (or the lack thereof) in support of or against the distinction made by the existing regulations in the broadcast advertising of beer, wine, coolers and spirits.

The Minister's response to the CRTC indicated that this was not a useful approach because the question posed cannot be given either an affirmative or a negative answer.

The Minister emphasized his belief that it does not serve the public interest to make a decision on the proposed amendments on the basis of comments for which no adequate scientific answer is available. At the same time, basing a decision on responses to this question alone ignores broader and more relevant issues raised by the proposed regulatory amendments.

The Minister's submission to the CRTC also indicated that, while the Association of Canadian Distillers might initially restrict itself to its stated intentions of airing only moderation messages, the Association might decide at a later date to exercise its right to advertise its products. The Minister emphasized his concerns that this could lead to a significant increase in the total volume of broadcast ads promoting alcohol products, thus increasing the exposure of children and adolescents to such product promotions. In addition, the visibility of cautionary messages concerning the negative consequences of unwise alcohol use would be further obscured by the resultant increases in promotional messages about drinking.

The Department implements two public awareness and information campaigns which address issues related to alcohol abuse: the "Really Me/*Drogues, pas besoin*!" campaign of Canada's Drug Strategy; and the "Play it Smart/*Moi, j'ai toute ma tête*!" campaign of the National Program on Impaired Driving.

(a) 1989-90	
Radio:	$700,000
Television:	$3,000,000
Total:	$3,700,000
(b) 1990-91	
Radio:	$1,400,000
Television:	$1,800,000
Total:	$3,200,000
(a) 1991-92 (Projected)	
Radio:	$750,000
Television:	$1,900,000
Total:	$2,650,000

Question No. 68—**Mr. Karpoff:**

Does the federal government support the International Code of Marketing of Breastmilk Substitutes developed by UNICEF and the World Health Organization for adoption into legally enforceable legislation for all countries and (a) if so, what efforts are being made to have the Code adopted in Canada and when will the Code take effect (b) if not, why not?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 4 hours and 55 minutes

Approximate cost: $89.

I am informed by the Department of National Health and Welfare as follows:

Although the federal government supports in principle the World Health Organization (WHO) *International Code of Marketing of Breast-Milk Substitutes*, it does not support the adoption of the WHO *International Code* into legally enforceable legislation for all countries. Because of the universal scope of the WHO *International Code*, some of its provisions are neither applicable nor appropriate for implementation in Canada.

The Department has for almost a decade supported breastfeeding as the preferred form of infant feeding. Canada also played a key role in developing and promoting the WHO *International Code of Marketing of Breast-Milk Substitutes*.

In 1981, after the adoption of the Code by the World Health Assembly, the Department obtained unanimous support for the aim and principles of the Code from all Canadian provinces.

The provinces felt that the Code should be implemented in Canada through education and health promotion rather than through legislation or regulations.

The Department has consistently taken a strong position with the Canadian infant formula industry and urged them to assume their responsabilities under the International Code. In 1987, departmental negotiations with the formula industry, through the Canadian Infant Formula Association (CIFA), led to the industry's agreement to respect the aim and principles of the *International Code of Marketing of Breast-Milk Substitutes*.

On October 28, 1987, CIFA members voluntarily adopted the CIFA *Code of Practice*.

The CIFA Code represents the industry position on the WHO *International Code* as adapted to the Canadian situation.

In addition, Canada recently signed the United Nations Convention on the Rights of the Child, again affirming our support for breastfeeding as a contribution to children's health. The Convention is now being reviewed for ratification.

Question No. 71—**Mr. Holtmann:**

Has the Long Plains Indian Reserve ever filed a land claim related to property currently being used by Canadian Forces Base Portage la Prairie and, if so, when and under what conditions was it filed?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 4 hours and 5 minutes

Approximate cost: $73.

I am informed by the Department of Indian Affairs and Northern Development as follows:

No, the Long Plain Indian Band has not filed a claim to land being used by the Canadian Forces Base near Portage La Prairie. However, the band does have a general claim under treaty for additional land. On May 10, 1991, the band submitted a band council resolution stating its interest in acquiring the land Canadian Forces Base Portage La Prairie as part of a settlement of the claim because the base is in its treaty area.

Question No. 77—**Mr. Whittaker:**

With respect to the Prime Minister's diplomatic trip to Japan in May 1991, was a private jet used because of possible delays in the originally scheduled flight and, if so, (a) what was the gross additional cost of the private charter (b) what was the difference in net cost between the original scheduled flight and the subsequent private charter (c) who was scheduled to travel on the original flight (d) who travelled with the Prime Minister on the private charter (e) was there a difference in the passenger lists between the original scheduled flight and the private charter?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 2 hours and 25 minutes

Approximate cost: $44.

I am informed by the Offices of the Prime Minister and the Privy Council as follows:

No.

Question No. 78—**Ms. Campbell (South West Nova):**

With respect to the Goods and Services Tax, how many individuals have qualified for the maximum GST credit and had the rebate fully withheld and applied to outstanding tax arrears?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 4 hours

Approximate cost: $72.

I am informed by the Department of National Revenue as follows:

Goods and Services Tax (GST) Credits are determined each year based on family status and income. Individuals may apply for GST Credit benefits on behalf of themselves, their spouses and their children. As a result, there is a maximum GST Credit which differs for each possible family make-up. For example, the maximum GST Credit based on 1990 GST Credit application forms for a single person with no children is $290, for a single person with one child is $480, for a spouse claiming on behalf of a family with two children is $580 and so on, adding $100 for each additional eligible child.

Revenue Canada, Taxation does not maintain statistics on the number of individuals who received the maximum GST Credits for their particular family make-ups nor does the Department track the number of individuals who had their full GST Credit applied against outstanding tax arrears. To date, approximately 4 per cent of the total value of GST Credit benefits have been applied to outstanding tax liabilities or whitheld pursuant to court orders under the Family Orders and Agreements Enforcement Assistance Act.

Question No. 79—**Miss Campbell (South West Nova):**

With respect to the recent three year joint marketing accord signed between Tourism Canada and the Saga Group Ltd., (a) how many similar joint agreements were signed during the fiscal year 1990-91 (b) how much money has been devoted to the distribution of promotional material?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader ot the Government in the House of Commons): Time required to prepare this answer: 21 hours and 50 minutes

Approximate cost: $394.

I am informed by the Minister of State (Small Businesses and Tourism) as follows:

a) Nil

b) A total of $412,000 was devoted to the distribution of promotional material in 1990/91.

Question No. 83—**Mr. MacAulay:**

With respect to the Atlantic Fisheries Adjustment Package (AFAP), will the government provide assistance to fishermen in need of assistance to remain in the groundfish fishing industry and, if so, (a) what is the total dollar amount allocated and/or spent for (i) each Atlantic province (ii) Quebec (b) how many people in (i) each Atlantic province (ii) Quebec have received or will receive assistance?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 7 hours

Approximate cost: $126.

I am informed by the Department of Fisheries and Oceans as follows:

There are components of the Atlantic Fisheries Adjustment Program (AFAP) which will assist fishermen to diversify their operations and/or improve the economic viability of their fishing enterprise.

(a) (i) & (ii) Allocations of funds are not made on a provincial basis. Fishermen can submit proposals for funding to Fisheries and Oceans (DFO) to undertake a particular project which will benefit their fishing operations. However, the Program is not meant to subsidize their fishing activity but rather to complement their present activity for greater viability.

(b) (i) & (ii) To date about forty (40) fishermen and fishermen groups have received funding. Indirectly, funds provided to processors have also benefitted fishermen by opening new markets for underutilized species. The number of fishermen receiving funds under AFAP depends on the number of proposals received and the amount of funding available over the five year program to fund those proposals.

Question No. 86—**Mr. Milliken:**

1. With respect to commissions paid to private real estate agents by the Department of National Defence, (a) is there an established commission rate and, if so, what is it (b) are there any regional variations and, if so, what are they (c) during 1990, what was the rate amount paid per base, for the sale or purchase of residences belonging to military personnel in Canada?

2. With respect to Canadian Forces Base Kingston, what are the names of the real estate agents who received commissions and how much did each agent receive?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 18 hours and 10 minutes.

Approximate cost: $328.

I am informed by the Department of National Defence as follows:

1. The Department of National Defence has no pecuniary relationship with any private real estate agents. All payments for real estate fees are made to military members as reimbursement for commissions paid to agents contracted by the individual members to sell their private residences.

a) The Department normally will not reimburse fees that are based on a rate of commission higher than the multiple listing rate recommended by the area real estate board;

b) rates vary between provinces and municipalities and because the Department does not deal directly with agents, no record of actual rates paid is maintained;

c) as rates are set by local area real estate boards for the general public, the Department does not keep track of the rates paid by base.

2. Because the Department does not deal directly with real estate agents, and Departmental information systems have not yet perfected the cost capturing of relocation expenses such as real estate fees to this level of detail, payments to individual agents are not tracked separately. As such, there is no practical way to determine an accurate dollar value of real estate fees reimbursed to members at CFB Kingston.

Question No. 88—**Ms. Clancy:**

In 1989, did the Historic Sites and Monuments Board of Canada deny a request to have St. Mary's Cathedral in Halifax, N.S., declared a national historic building or a building of architectural significance and, if so, (a) what were the reasons for the refusal (b) how many other applications were made and refused?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 8 hours and 35 minutes

Approximate cost: $154.

I am informed by the Department of the Environment as follows:

a) At its February 1989 meeting the Historic Sites and Monuments Board of Canada (HSMBC) considered the possible national significance of St. Mary's Basilica in Halifax, N.S. It was the Board's recommendation that:

While St. Mary's Basilica was undoubtedly of considerable regional importance given its place in the history of Catholicism in Nova Scotia, it was not prepared to recommend that the Cathedral was of national historic or architectural significance.

Further, the Board stated that it would be pleased to give further consideration to the possibility of erecting a plaque at the Basilica, should studies be presented to it in the future, on religious leaders in Canada or examining themes such as the emancipation of Nova Scotia Catholics, which indicated that such action was indeed warranted.

b) Other applications made and refused in 1989 include:

1) Naval and Military Establishments, Penetanguishene, Ont.

2) Old Brewery Bay (Leacock Residence), Orillia, Ont.

3) Kingston General Hospital, Kingston, Ont.

4) Pearse House, Scarborough, Ont.

5) Chalmers Wesley United Church, Quebec, Que.

6) Former Public Market, Sainte-Scholastique, Que.

7) Peake Buildings, Charlottetown, P.E.I.

Question No. 91—**Mr. Axworthy (Saskatoon—Clark's Crossing):**

Has the government taken any steps to stop clearcut logging in Wood Buffalo National Park and, if so, what are they?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 9 hours and 5 minutes

Approximate cost: $164.

I am informed by the Department of the Environment as follows:

The Canadian Parks Service has been negotiating with Canadian Forest Products Ltd. since January 1991 to seek an end to the legal logging operations in Wood Buffalo National Park. Progress continues to be made through these negotiations.

Commencing in January 1991, the Canadian Parks Service and Canadian Forest Products Ltd. agreed to new harvesting standards for the logging operations which better protect the natural ability of the forest to grow back after logging. These standards will apply to any future logging operations, if they should occur.

Question No. 93—**Mr. Taylor:**

For the fiscal year 1991–92, has the government allocated any (a) financial (b) personnel resources to the enforcement of the Canadian Environmental Protection Act and, if so, what are they?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons):

Time required to prepare this answer:	6 hours and 50 minutes
Approximate cost:	$124

I am informed by the Department of the Environment as follows:

Environment Canada	(a) $3.8 million
	(b) 45 Enforcement Officers
Justice Canada	(a) $904 K

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, if questions Nos. 1, 9, 19 and 38 could be made Orders for Returns, these returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Questions Nos. 1, 9, 19, 38 be deemed to have been made Orders for Returns?

Some hon. members: Agreed.

[*Text*]

RACE RELATIONS AND CROSS CULTURAL UNDERSTANDING PROGRAM

Question No. 1—**Mrs. Maheu:**

Since 1990, for the Race Relations and Cross Cultural Understanding Program, (a) which groups and individuals have received grants or contributions (b) how much did each receive (c) for what event and/or purpose was the money given?

Return tabled.

CANADA CUSTOMS

Question No. 9—**Mr. Robinson:**

Since 1900, has Canada Customs prohibited, subjected to administrative review or classified for restricted circulation any books, magazines, pamphlets and/or flyers intended for import and, if so, (a) what were their titles (b) what were the reasons for prohibition, review or classification for restricted circulation (c) for each title listed, what was the time during which prohibition, review or classification for restricted circulation was in force?

Return tabled.

REVENUE CANADA

Question No. 19—**Mr. Boudria:**

Has Revenue Canada retained the services of consultants to install and operate any of the hardware or software relating to the administration of the GST and, if so, in each case (a) what is their name (b) what is their usual address of business (c) were they chosen by public tender process and, if not, (d) why not (e) when were their services contracted (f) how long are the contracts (g) what is the cost?

Return tabled.

DEPARTMENTAL CONTRACTS

Question No. 38—**Mr. Young (Acadie—Bathurst):**

How many audits on Departmental Contract Administration were made in 1989 and 1990 by Central Agencies (a) of which departments (b) what were the findings by department?

Return tabled.

* * *

[*English*]

STARRED QUESTIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, would you be so kind as to call starred questions Nos. 8, 13, 14, 26, 27, 34, 97 and 98.

Because of the number and the length of some of these responses, I would ask that they be printed in *Hansard* as if read.

[*Text*]

*Question No. 8—**Mr. Saint-Julien:**

During the period from October 1, 1990 to June 1, 1991, has VIA Rail had to cancel passenger trains, due to unexpected circumstances, on the following three return routes: Montreal—Senneterre, Seneterre—La Sarre and Senneterre—Cochrane, and, if trains have been cancelled on these routes (i) on which routes (ii) for what reasons (iii) the dates and times of the cancellations (iv) the number of passengers affected (v) how many taxis did VIA Rail send in each case (vi) for how many passengers (vii) at what cost (viii) how many buses did

VIA Rail rent to transport the passengers (ix) at what cost, and (x) how much did it cost VIA Rail for meals and rooms for the passengers?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 33 hours and 51 minutes

Approximate cost: $610.

I am informed by the Department of Transport as follows:

VIA Rail Canada Inc. advises as follows:

(i to x)

From October 1, 1990 to December 9, 1990, on Tuesdays and Thursdays the Senneterre–Cochrane trains were turned at Taschereau. Because of the poor condition of the track between Taschereau and Cochrane it was impossible for these trains to complete the round-trip in time to depart Senneterre for Montreal on schedule. VIA did not provide transport during this period beyond Taschereau on Tuesdays and Thursdays.

On March 28, 1991, the Senneterre–Montreal train was terminated at Hervey because of a freight derailment and 58 passengers were transferred by bus to Montreal. Two buses were used, one local and one express, at a cost of $790.50.

On May 29, 1991, as a result fo the same derailment, 60 passengers were bused from Montreal to Hervey where they boarded the train for Senneterre. Two buses were used, one local and one direct, at a cost of $790.50.

On May 26, 1991, the Senneterre–Montreal train was terminated at Duplessis due to a freight derailment. The 100 passengers were transported on three buses to La Tuque. Ninety of the passengers continued on two buses from La Tuque to Montreal. On arrival in Montreal, three passengers were accommodated at the Queen Elizabeth Hotel. The cost of meals and accommodation was approximately $3,600.00 and $2,800.19 was paid to charter the buses.

On May 27, 1991, as a result of the same derailment, the Montreal–Senneterre train and ten passengers were transported by bus from Montreal to La Tuque at a cost of $1,070.00. Train service was cancelled between La Tuque and Duplessis. The train operated from Duplessis to Senneterre.

On May 28, 1991, because of the same derailment, the Senneterre–Montreal train was cancelled. Twenty-five passengers were transported by bus between La Tuque and Montreal. Two buses were chartered one for local passengers and the other for through passengers at a cost of $2,140.00.

On May 29, 1991, the Montreal–Senneterre train was cancelled, also due to the same derailment. One bus was chartered to transport 24 passengers from Montreal to La Tuque at a cost of $1,070.00.

*Question No. 13—**Mr. Saint-Julien:**

During the period from 1980 to 1991, were Hydro-Quebec tariff structure contracts entered into by the federal government with Native villages in Quebec in order to give these villages preferential rates, and, if so, (a) how many (b) in which villages, and (c) at what rates?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 24 hours and 20 minutes.

Approximate cost: $438.

I am informed by the Department of Indian Affairs and Northern Development as follows:

No. The federal government does not have any arrangement with Hydro-Quebec to provide electricity to native villages.

The department of Indian Affairs and Northern Development is only responsible for the supply of electricicity in one Cree village (Waskaganish), where power is provided by generators.

*Question No. 14—**Mr. Saint-Julien:**

Has VIA Rail awarded a cleaning contract for passenger trains in the town of Senneterre, for trains running between Montreal and Senneterre, and Amos and La Sarre, and, if so, (a) to whom (b) how much is the contract worth (c) how many bidders were there?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 10 hours and 7 minutes

Approximate cost: $182.

I am informed by the Department of Transport as follows:

Via Rail Canada Inc. advises as follows:

a) VIA has awarded a contract to J.P. Spécial Inc. to clean the Senneterre-Taschereau trains in Taschereau. (CN cleans the Senneterre-Cochrane trains in Cochrane and VIA cleans the Montreal-Senneterre trains in Montreal).

b) The value of the contract is of a proprietary nature and cannot be released for competitive reasons.

c) Two bidders.

*Question No. 26—**Mr. Comuzzi:**

For the fiscal year 1991-1992, were government funds allocated through the Department of (a) Transport (b) Environment (c) Fisheries and Oceans (d) Agriculture to address the infestation of zebra mussels in the Great Lakes system and, if so, in terms of (i) dollars (ii) person-years (iii) percentage of total for research (iv) percentage of total for prevention of further spread (v) percentage of total for cleanup, what total amounts?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 8 hours.

Approximate cost: $144.

I am informed as follows:

Transport Canada:

a) (i) For fiscal year 1991-1992, Transport Canada's Marine Group includes a project in its R&D program for the study of 'Ballast Water Organisms in the Great Lakes' with a total cost estimate of $100,000. While not specific to the problem of zebra mussels, they are included in the scope of the project.

(ii) There are no person-years attached to the project as it is intended for contracting out.

(iii) The project's cost of $100,000 represents about 2.5 per cent of the total planned research and development expenditure in 1991-1992 for the Marine Group.

(iv) & (v) Answers to these elements of the question cannot be given at this time.

Environment Canada:

b) (i) The Department of the Environment is spending a total of $140,000 in fiscal year 1991-1992 on the zebra mussel. Of this amount, $100,000 has been transferred to the Department of Fisheries and Oceans to supplement its research and monitoring program. The remaining $40,000 has been awarded to a University of Guelph researcher through the Great Lakes University Research Fund. The total research grant is $60,000 with the Natural Sciences and Engineering Research Council contributing $20,000.

(ii) No person-years have been allocated.

(iii) 100 percent of the total is for research.

(iv) Zero percent is for prevention of further spread.

(v) Zero percent is for cleanup.

Fisheries and Oceans Canada:

c) (i) Total dollars $210,000 *

(ii) Person-years 1.2

(iii) Percentage of total for research 72 per cent ($151,200)

(iv) Percentage of total for prevention of further spread 28 per cent ($58,800)

(v) Percentage of total for cleanup 0 per cent.

* $100,000 transferred from the Department of the Environment.

Agriculture Canada:

d) No government funds were allocated in the fiscal year 1991-1992 to address the infestation of zebra mussels in the Great Lakes system.

*Question No. 27—**Mr. Comuzzi:**

1. What was the total cost in (a) dollars (b) person-years to produce the June 1990 Report of the Special Advisor to the Minister of National Health and Welfare on child sexual abuse in Canada entitled "Reaching for Solutions"?

2. From the total cost, what was the allocation in dollars for (a) research (b) salaries (c) travel (d) printing (e) distribution and (f) public meetings?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 7 hours and 20 minutes

Approximate cost: $132.

I am informed by the Department of National Health and Welfare as follows:

1. (a) $1,076,300

(b) Nil

2. (a) $671,700 (consultative sessions and a national workshop with child sexual abuse experts)

(b) Contract fees for Special Advisor: $204,600

(c) Travel costs of Special Advisor: $100,000 ($80,000 per contract and $20,000 for post-release report travel)

(d) $85,000

(e) $15,000

(f) The Special Advisor's travel costs allowed him to meet 1,600 individuals across Canada.

*Question No. 34—**Mr. Gauthier:**

For each of the next ten years, what is the estimated additional cost, if any, that would be incurred by the Public Service Superannuation Account (PSSA) if married PSSA retired pensioners over the age of 60 were permitted to split their PSSA pensions with spouses 60 years of age or older along the lines permitted by the Canada Pension Plan?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 3 hours and 55 minutes

Approximate cost: $71.

I am informed by the Treasury Board Secretariat as follows:

When a pension payable to a contributor under the Canada Pension Plan (CPP) is split, a portion of the contributor's monthly pension is simply paid to the contributor's spouse. This portion is treated for all purposes as though it were being paid to the contributor. Thus, if the contributor dies before the spouse, the amount payable to the spouse ceases to be paid. If the spouse dies before the contributor, the amount payable to the spouse reverts back to the contributor. In other words, there are no additional benefits, and therefore no additional costs, when a CPP pension is split.

Similarly, there would be no additional costs for the Public Service Superannuation Account if married pensioners were permitted to split their pensions along the lines provided under the CPP. It should be noted, however, that proposed amendments to the Income Tax Regulations (which were released in draft form by the Department of Finance in December 1989) prohibit the registration of a pension plan which permits pension splitting other than on marriage breakdown.

*Question No. 97—**Ms. Langan (Mission—Coquitlam):**

Since January 1, 1989, have any Ministers purchased, through their offices, new cars for official use and, if so, (a) which ministers (b) how many cars (c) what make and model of car (d) at what unit cost (e) through what dealerships?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 6 hours and 35 minutes

Approximate cost: $118

I am informed by the Department of Supply and Services as follows:

For more information, please refer to question No. 43 answered on June 19, 1991.

	CURRENT VEHICLE			DELIVERING DEALERSHIP	
Cabinet Minister	Make / Model	Purchase Price	NVEN		
Blais, P.	1989 Chevrolet Caprice	$22,400.00	225106	Garage Caron et Morin Inc.	L'islet-sur-mer, Qué.
Bouchard, B.	1990 Olds 98 Regency	$25,000.00	225086	Belisle Automobile Ltd.	Ottawa, Ont.
Cadieux, P.	1990 Olds 98 Regency	$24,992.00	225114	Lalonde-Legault Chevrolet Oldsmobile Inc.	Rigaud, Qué.
Clark, C.J.	1990 Olds 98 Regency	$25,000.00	225087	Belisle Automobile Ltd.	Ottawa, Ont.
Campbell, K.	1989 Ford LTD Crown Vic	$22,245.30	225112	Campbell Ford Sales Ltd.	Ottawa, Ont.
Charest, J.	1989 Chevrolet Caprice	$22,326.00	225063	Brouillard Automobile Ltée.	Sherbrooke, Qué.
Collins, M.	1991 Chevrolet Caprice	$24,340.00	225117	Belisle Automobile Ltd.	Ottawa, Qué.
Corbeil, J. 10/2/89	1989 Ford LTD Crown Vic	$24,421.00	225042	Fortier Auto Montréal Ltée	Ville d'Anjou, Qué.
Corbeil, J. 18/7/90	1991 Ford LTD Crown Vic	$24,512.00	225125	Fortier Auto Montréal Ltée	Ville d'Anjou, Qué.
Crosbie, J.	1989 Chevrolet Caprice	$21,767.74	225054	Myers Chevrolet Oldsmobile Cadillac Inc.	Ottawa, Ont.
Danis, M.	1991 Chevrolet Caprice	$24,800.00	225142	Maurice Goyette Pontiac Buick Ltd.	Varennes, Qué.
DeCotret, R.	1991 Ford LTD Crown Vic	$24,527.00	225144	Campbell Ford Sales Ltd.	Ottawa, Ont.
Dick, P.	1991 Chevrolet Caprice	$22,495.00	225131	Carl Elliott Chevrolet Oldsmobile Ltd.	Nepean, Ont.
Hockin, T.	1990 Olds 98 Regency	$24,992.00	225089	Belisle Automobile Ltd.	Ottawa, Ont.
Landry, M.	1990 Olds 98 Regency	$24,992.00	225123	Carrefour Chevrolet Oldsmobile Inc.	Laval, Qué.
Lewis, D.	1990 Ford LTD Crown Vic	$24,835.00	225122	Thor Motors Orillia (1978) Ltd.	Orillia, Ont.
Loiselle, G.	1991 Chevrolet Caprice	$24,903.32	225116	P. Barré Chevrolet Oldsmobile Ltée	Québec, Qué.

Cabinet Minister	CURRENT VEHICLE Make / Model	Purchase Price	NVFN	DELIVERING DEALERSHIP	
Mackay, E.	1989 Ford LTD Crown Vic	$24,250.00	225051	Vee Eight Motors Ltd.	New Glasgow, N.S.
Masse, M. 19/4/89	1989 Mercury Gr. Marquis	$24,200.00	225062	Success Ford Mercury Inc.	Thedford Mines, Qué.
Masse, M. 6/12/90	1991 Mercury Gr. Marquis	$27,408.00	225146	Success Ford Mercury Inc.	Thedford Mines, Qué.
Mayer, C.	1989 Chevrolet Caprice	$21,264.00	225059	Murray's Garage Ltd.	Neepawa, Man.
McDermid, J.	1991 Mercury Gr. Marquis	$23,565.00	225143	Colony Lincoln Mercury Sales Ltd.	Brampton, Ont.
McDougall, B.	1989 Chevrolet Caprice	$20,320.00	225035	Chevrolet Yonge Oldsmobile	Toronto, Ont.
McKnight, B.	1989 Ford LTD Crown Vic	$22,400.00	225052	Dan Donnelly's Ottawa Ford Sales	Ottawa, Ont.
Merrithew, G.	1990 Mercury Gr. Marquis	$25,000.00	225133	Jim Keay Lincoln Mercury Sales Ltd.	Ottawa, Ont.
Murray, L. (Senator)	1989 Buick Park Avenue	$24,882.52	225048	Turpin Pontiac Buick Ltd.	Ottawa, Ont.
Oberle, F.	1989 Mercury Gr. Marquis	$24,987.00	225041	Beaver Lincoln Mercury Sales Ltd.	Ottawa, Ont.
Siddon, T.	1990 Chrysler 5th Ave.	$25,000.00	225107	Richmond Plymouth Chrysler Ltd.	Richmond, B.C.
Vézina, M.	1989 Olds Delta 88	$25,000.00	225043	Boulevard Chevrolet Inc.	Rimouski, Qué.
Weiner, G.	1990 Olds 98 Regency	$25,000.00	225111	Belisle Ausomobile Ltd.	Ottawa, Ont.
Wilson, M.	1989 Chevrolet Caprice	$20,000.00	225034	Ross Wemp Motors Ltd.	Rexdale, Ont.
Winegard, W.	1990 Chevrolet Caprice	$20,746.00	225103	Belisle Automobile Ltd.	Ottawa, Ont.

As of 12 March, 1991

*Question No. 98—**Ms. Langan (Mission–Coquitlam):**

Did any Minister of the Crown sign an Order in Council dated May 7, 1991, proclaiming in force the amendments to the Parliament of Canada Act and, if so, which ministers?

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Time required to prepare this answer: 3 hours

Approximate cost: $54.

Order in Council P.C. 1991-813 dated May 7, 1991 brought amendments to the *Parliament of Canada Act* into force.

Ministers of the Crown must be in agreement in order for an Order in Council to be issued. As in the case of any other decision of the Cabinet, the names of the individual Ministers who participated in a particular decision are not released.

[*English*]

Mr. Cooper: Mr. Speaker, would you be so kind as to call starred question No. 35.

Mr. Speaker: So done.

Mr. Cooper: Mr. Speaker, I ask that this response be made an Order for Return. This return will be tabled immediately.

[*Text*]

PENSIONS

*Question No. 35—**Mr. Gauthier:**

1. (a) For each of the last ten fiscal years, what was the annual rate of interest that the actuarial valuations of the basic pension accounts applying to members of the civilian public service, the Armed Forces, and the RCMP assumed would be earned by these accounts (b) what was the actual annual rate of interest earned by these accounts (c) by what dollar amount did the artificially low interest rate assumptions underestimate actual interest earnings of these accunts (d) what was the annual rate of salary revision increases that the actuarial valuations of these accounts assumed would be gained by contributors to these accounts (e) what was the actual annual rate of salary revision increases gained by contributors to these accounts (f) by what dollar amount did the salary revision increase assumptions exaggerate the actuarial liabilities of these accounts?

2. Were representatives of contributor and annulitant organizations consulted on the economic assumptions used in the actuarial valuations of these accounts, and, if not, (i) why not (ii) does the government plan to change its future practice in this regard and if not, why not?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved that Bill C–29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto be read the second time and referred to Legislative Committee F.

He said: Mr. Speaker, the bill that is before the House today has two purposes. In the first instance, it seeks to end strikes in the public services that are seriously disrupting essential services to Canadians and damaging important sectors of the Canadian economy.

More broadly, it implements the terms of the Public Sector Compensation Restraint Program that the Minister of Finance announced in his budget on February 26, 1991.

Mr. Speaker, at the outset let me address an issue that has an important bearing on this bill. The Public Service Staff Relations Board stated yesterday that the government has not made every reasonable effort within the meaning of section 51 of the Public Service Staff Relations Act to negotiate a collective agreement with the Public Service Alliance of Canada.

I am of the view that all our negotiations with the unions have complied with the law. The PSSRB's decision on the PSAC negotiations surprised me, since we have been able to reach settlements with four other unions that are within the government's announced wage policy.

In the case of the Public Service Alliance of Canada, we have had 60 days of negotiating sessions and we have gone through another 30 days of conciliation proceedings. Nevertheless, in order to make absolutely certain that we respect yesterday's PSSRB ruling, I have instructed my officials to indicate to Mr. Bean that they are willing to return to the bargaining table without preconditions.

With respect to the issue of a wage increase, this government remains irrevocably committed to the zero, three formula included in Bill C–29.

Let it be clearly understood that there shall be no wage increase this year, and the wage increase next year will be 3 per cent.

These offers are of course very limited and I understand frustrating, but let me remind the members again of what we saw yesterday in les Ateliers Angus in Montreal where 900 people were laid off. This is the cruel reality we have to live with.

[*Translation*]

Furthermore, Mr. Speaker, we must go ahead with this bill. We cannot afford to wait until collective bargaining resumes.

The Public Sector Compensation Act provides that non–monetary proposals may be negotiated this year. Consequently, I have asked my agents to invite Mr. Bean's negotiators back to the bargaining table.

Mr. Speaker, the government must deal with the problems caused by the general strike called by the leaders of PSAC, a strike that jeopardizes the provision of essential services to Canadians and that is disrupting certain key sectors of our economy.

Grain terminals can no longer handle this year's harvest. Businesses say lay–offs are imminent because of delivery delays. On the picket lines, Canadians have seen strikers use violence and try to intimidate employees who want to work and have a right to work, and who in some cases were legally obliged to work.

By use of these tactics, the union has managed to close down federal buildings and deprive Canadians of certain

services. It has gone beyond the limits of what is reasonable, as will testify the injunctions we obtained. This situation cannot be allowed to go on. The interests of all Canadians are at stake.

The government is not prepared to compromise economic recovery and essential services, nor is it prepared to let employees who want to work or are legally required to work be exposed to violence and intimidation because of their legitimate attempts to cross the picket lines.

That is why, Mr. Speaker, we ask the House to pass this legislation and to do so expeditiously.

[*English*]

So we are proceeding with this bill. The measures in Bill C-29 have been brought about by the circumstances of our time. They represent, I admit, a departure for a limited period from the principles and institutions of collective bargaining that govern the relationship between the government and its employees in the Public Service of Canada. They also constitute a reduction in the real compensation of everyone who works in the federal public sector. This includes members of this House and our employees.

These measures will serve to address immediate and pressing concerns in the management of the economy and of the Public Service. For this reason, the government is seeking the most expeditious passage for the bill that is possible under the rules of this House.

I recognize that the provisions of the bill also create an obligation on the government to ensure that the expected benefits for the economy are realized and that long-term effects on labour relations in the Public Service are minimized.

The state of relations between the government and its employees is of particular concern to me as President of Treasury Board and I hinted that I intend to do everything that I can to strengthen that relationship once the legislation is in place.

[*Translation*]

Mr. Speaker, before outlining the main points of the bill, I would like to recall the events that made it necessary to table this legislation. I would also like to draw the attention of the House to a number of aspects that are not mentioned in the bill but which contributed to the government's decision.

Hon. members will recall that the February Budget provided that departmental salary budgets would be frozen at the level of the previous year.

• (1020)

The Minister of Finance indicated at the time that any negotiated wage increases for 1991-92 would require a corresponding reduction in the number of jobs, and that in any case, the government would not contemplate wage increases of more than 3 per cent. For the next two fiscal years, annual increases would be capped at 3 per cent.

[*English*]

This was an important signal to other employers in the economy that they should exercise restraint in their own wage settlements if we as a country are to have a robust and enduring economic recovery. Seven provinces have followed the lead of the federal government in this respect, and there is strong evidence that the Canadian public agrees that we are on the right track.

On June 19, after it became evident that the unions would not agree to a reduction in employment levels in return for wage increases, I informed the House that the government was no longer in a position to negotiate wage settlements for the current fiscal year at an increase of more than zero per cent. On the other hand, this decision left the government in the position of being able to protect employment in the balance of this fiscal year. This then is the genesis of the zero and three formula that provides the framework for this bill.

These measures are made necessary by the weak state of the economy and the government's deteriorating fiscal situation. The government cannot afford wage increases this fiscal year and no money has been provided for such increases.

[*Translation*]

It is clear that the Public Sector Wage Restraint Program, also known as 0-3, was necessary, considering the financial and economic situation. However, I agree that the program has dealt a heavy blow to the government's wage guidelines and to collective bargaining in the Public Service. I also agree that collective bargaining negotiations have been very difficult for Public Service unions this year.

From the outset, I had hoped to negotiate wage settlements within the 0-3 guidelines by offering some flexibility on non-wage proposals, but throughout the bargaining process it was also clear that we might have to resort to a legislated settlement in the interests of all parties concerned.

[*English*]

Hon. members know that successive governments have taken the approach that the Public Service should be a fair employer and should provide compensation that is sensitive to the larger labour markets.

The unions are perfectly right when they point out that public service settlements in recent years have been lower than those provided by other sectors of the economy and that zero and three therefore are even more difficult to accept for this year and next, but they have been perfectly wrong to suggest that government workers are underpaid in comparison with their private sector counterparts.

The inflation targets announced by the Minister of Finance in the February 26 budget should in fact bring increases in the cost of living below the level of 3 per cent by the third year of the zero, three and three program which is why this bill seeks to implement only the first two years and to permit the resumption of full collective bargaining as soon as possible.

[*Translation*]

When I reported to the House on June 19 on the status of negotiations, we were seriously considering the possibility of recalling Parliament during the summer recess, for a number reasons. First of all, the collective agreements of 55 bargaining units representing some 165,000 employees were due to expire, with more to follow later on. We were also expecting a series of binding awards that would be a serious threat to the Public Sector Wage Restraint Program. Furthermore, two groups represented by the Professional Institute of the Public Service of Canada, Auditing and Computer Administration, had been in a legal strike position for some time.

Finally, since the number of groups that would be in a legal strike position was increasing daily, it became more and more likely that essential services to Canadians would be disrupted.

[*English*]

As it has turned out, Parliament did not have to be recalled. The binding awards that were handed down for 18 bargaining units represented by the Professional Institute of the Public Service of Canada reflected the zero and three framework.

I would like to repeat that again in this House. The binding awards that were handed down for 18 bargaining units represented by PSAC reflected the zero and three framework. For their part, several other groups including ships offices and air traffic controllers have reached settlements with Treasury Board based on zero and three. To that extent our hopes have been realized.

On the other hand, the Public Service Alliance of Canada continues to reject the budget's wage policy. Its leadership categorically refused to negotiate on the basis of zero and three. Most of the 155,000 employees that it represents are in a legal strike position, and hon. members are well aware that many of them are exercising it.

Before the House recessed I served notice that we could well have to consider legislation upon our return. We are now in that position.

The government has now decided that it must proceed for two principal reasons. The first and most important is the one that I gave at the outset. We simply cannot wait any longer to deal with the situation created by the strike.

In addition, the Public Service Alliance of Canada has made it very plain in public and to me in private that it will not now or ever voluntarily accept the terms of the budget. Since the government is not about to abandon the budget, we are at an impasse.

[*Translation*]

Mr. Speaker, after explaining the reasons that led the government to table these objectives, I would now like to discuss some of the details of the bill itself.

The bill imposes a two-year extension on all collective agreements and all prior compensation plans. This means that all present strike activities will be illegal. As soon as the legislation comes into force, all union members now on strike will have to return to work. The bill provides for stiff fines for union leaders and employees who refuse to go back to work or recommend continuing the strike: up to $100,000 a day for the unions,

$50,000 a day for union leaders and $1,000 a day for employees.

[*English*]

The fines for unions and union offices are, if they are not paid, to be collected through withholding union dues that the government collects on behalf of unions. There will be no jail sentences for non-payment.

The legislation covers all public servants and not just those who are on strike. The same provision will also apply to managers in the Public Service and to members of Parliament, the Prime Minister, cabinet ministers and their staff, members of the Canadian Forces and of the Royal Canadian Mounted Police.

Order in Council appointees will also be covered as will the heads and employees of other government bodies that are non-commercial in nature and not normally self-financing.

[*Translation*]

As I said earlier, Mr. Speaker, the bill will freeze wages for one year, whether they were set through collective bargaining or otherwise, and limit wage increases to 3 per cent the following year.

The wages of two groups whose collective agreements were bargained lenghthily before the budget was tabled—I am refering to the Auditing Group and the Computer System Administration Group—will be adjusted for the period preceeding the current fiscal year, but increases will be limited to zero and three percent for the following years. The legislation also makes an exception where any compensation plan established pursuant to the government wage policy came into effect after the budget was tabled but before this bill was introduced.

• (1030)

[*English*]

The bill does not suspend all aspects of collective bargaining in the Public Service. I want to emphasize that it explicitly excludes benefits and services provided under the terms of policies arrived at through consultation under the auspices of the National Joint Council of the Public Service.

The NJC is a union-management consultative body that brings together the leaders of all the Public Service unions and officials of the Treasury Board to agree upon policies that then become annexes to all collective agreements. Elements of compensation that are arrived at under NJC auspices include Public Service health insurance, disability insurance and dental care. And there are many other matters, including health and safety issues, that are discussed in the NJC.

We have deliberately left these policies and programs outside the legislation in order to provide scope for continued discussions between the unions and the employer representatives.

[*Translation*]

I would also want to stress that this bill does not affect pay equity within the public service. Over $80 million in equal pay adjustments will continue to be paid to employees. Moreover, the bill in no way affects the application of the Canadian Human Rights Act. In other words, during the entire restraint period specified in the bill, the Canadian Human Rights Commission will be able to deal with matters that fall within its purview, including those relating to pay equity.

[*English*]

I would like now to close with some comments about issues that the bill does not address. As a general matter, I have sought to ensure that the legislation covers only those matters that are necessary to restore public services and to implement the essential features of the public sector compensation restraint program announced in the budget.

The agenda that we have been discussing with the unions is considerably wider than that. The Public Service Alliance has included three major issues, job security, contracting out and pay equity in its public demands, and representatives of the other unions have made it clear that they are interested in these issues as well.

I would like to say a word about each of them. In my June 19 statement I outlined the government's position on job security. We are not prepared to entrench no-layoff provisions in collective agreements. That would be irresponsible, but it would also be unnecessary.

I stated then and I repeat now that there is no reason for additional layoffs in the balance of this fiscal year as a result of the budget. In addition, I made a commitment that every current indeterminate employee of the Public Service who is affected by changes in specific jobs or by their elimination as a result of the budget will be offered a position on comparable terms for the period the wage

freeze applies if he or she is willing to be trained and possibly relocated.

[*Translation*]

Generally speaking as a fair employer, we recognize that it is in the interest of the government and its employees to ensure continuity as much as possible and to clear up any uncertainties if we are to have a productive and stable workforce.

As regards the relocation of employees affected by the elimination of specific jobs, this government's record is beyond reproach. All but 1,087 employees affected by the government restraint policy since its inception in 1986 were redeployed within the public service. Based on a workforce of 225,000, this would indicate a 99.5 percent job security overall.

We wish to keep this impressive record intact, Mr. Speaker. That is why we have chosen to continue to consult the union on renewing the staff adjustment policy agreed to by the NJC; this policy provides fair protection for employees.

Contracting out is an issue related to the previous one. The government is committed to providing services to Canadians as effectively and efficiently as possible. For this reason, it has sometimes had to turn to the private sector. The idea is not new, nor was it new 30 years ago when the Glassco Commission dealt with the issue of "make or buy". We will not give up contracting out as a responsible way to manage public resources. At the same time, we are sensitive to its impact on our employees and we have discussed it with the union at the National Joint Council.

[*English*]

Finally, I would like to mention equal pay for work of equal value or pay equity, as it is also known. The government remains committed to pursuing the goals of pay equity through its proper forum, which is the Canadian Human Rights Commission. This is why the work of the commission has been exempted from this bill. We have had a long history of working with the unions on these issues and it was they, as a group, who launched the current legal process with the Canadian Human Rights Commission. This is why we consider it inappropriate to negotiate the issues separately with individual unions.

[*Translation*]

Hon. members should also be aware that since 1978, many complaints concerning pay equity were resolved in close cooperation with the unions and the Canadian Human Rights Commission.

In 1990, the government made a retroactive lump-sum payment of about $317 million to 73,400 public servants. That is almost a third of a billion dollars, Mr. Speaker. As part of this move to pay equity, payments of over $81 million a year continue to be made, and other payments may follow when the Canadian Human Rights Tribunal has ruled on the pending cases. It is an important issue involving major expenditures.

[*English*]

In conclusion, I want to return to a point that I made at the outset. The Public Sector Compensation Act is based on the premise that all of us working in the public sector have a necessary contribution to make to national economic recovery. For the employees of the Public Service, it is not what they deserve in relation to the contribution that they make daily to this country. Unfortunately, the government and the economy generally do not have the capacity to recognize fully this contribution through the compensation that Public Service employees receive. But, we remain prepared to meet with the unions to discuss non-monetary issues outside the areas of compensation covered by the bills.

Dialogue with the unions will continue to be a central feature of the relationship between the government and its employees and it is my strong desire to remain open to the concerns of the Public Service union wherever I can.

[*Translation*]

Mr. Speaker, it was not possible to reach agreement under Standing Orders 78(1) and 78(2) concerning allocation of time for second reading of Bill C-29, an Act respecting compensation in the public sector of Canada and to amend another Act in relation thereto. Pursuant to Standing Order 78(3), Mr. Speaker, I give notice of my intention to propose a motion at the next sitting of the House for allotting a certain period of time for the

consideration and disposal of proceedings at this stage of the bill. Thank you, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. DeBlois): The hon. member for Kamloops on a point of order, knowing that there is no question or comment period.

Mr. Riis Mr. Speaker, I appreciate that. I simply want to say at the outset that the discussions regarding Standing Order 72 have not been completed. I just want to make that point clear.

• (1040)

Because of the importance of the presentation of the President of the Treasury Board this morning in terms of laying out where we are in this very critical issue, could I ask him to repeat very briefly his opening statement regarding the return to the bargaining table that he has now instructed his officials to do, particularly the point of no preconditions.

It is such a critical point. It is not a question. I am simply asking him to restate that short part of his presentation.

Some hon. members: Hear, hear.

Mr. Loiselle: I apologize to the hon. member. I am quite prepared to repeat this section, which is a very brief two or three paragraphs.

I said that I wanted at the outset to address an issue that has an important bearing on this bill. The Public Service Staff Relations Board stated yesterday that the government has not made every reasonable effort in the meaning of Section 51 of the Public Service Staff Relations Act to negotiate the collective agreement with the Public Service Alliance of Canada.

I am of the view that all our negotiations with the unions have complied with the law. The PSSRB's decision on the PSAC negotiations surprised me since we have been able to reach settlements with four other unions that are within the government's announced wage policy. In the case of the Public Service Alliance of Canada, we have had 60 days of negotiating sessions and have gone through another 30 days of conciliation proceedings.

Mr. Bean even said he was suspicious that we might have made deals with the other unions. Of course we did and we are prepared to make deals with him also. He refused them. Nevertheless, in order to make absolutely certain that we respect yesterday's ruling of the PSSRB, I have instructed my officials to indicate to Mr. Bean that they are willing to return to the bargaining table without preconditions. With respect to the issue of a wage increase, this government remains irrevocably committed to the zero and three formula included in Bill C–29.

Let it be clearly understood that there shall be no wage increase this year and the wage increase next year will be 3 per cent.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I rise in the House today at a extremely critical time in Canada's history. Our country is in great difficulty. No one is providing any leadership at all. Today, we are faced with what is probably the greatest strike the Public Service of Canada has ever known. It may not be as big as the Winnipeg strike in 1919 or the construction strike in Quebec in 1976, but it certainly marks a turning point, because there is a big difference: This is the first time we have a strike because the government decided there was going to be one. This is not a matter of collective bargaining. When we look at this government's strategy, it was obvious that it wanted public servants to hit the streets. It is a strategy we cannot condone.

As I said yesterday, our presence here in the House of Commons is useless. Everything that could be done, the government could have done last week. We made a suggestion to the government which was taken up yesterday by the union. If it had wanted a mediator, if it had wanted to observe the laws of this country and negotiate and use every means at its disposal, it could have had everyone back to work at this very moment. It could have had everyone back to work last week.

When I said yesterday that if we put everything on the table with a mediator, and when I spoke directly to 20,000 union members on Parliament Hill, everyone applauded when I said: You don't want a strike because you like the idea. What you want is a fair deal, the same as everybody else. However, this is a government that wants confrontation.

[*English*]

This government does not want to solve the problems. It thrives on confrontation all the time. It is not the problem of looking at the deficit figure that is the preoccupation of this government today. It does not look

at the figure for the deficit. It looks at the Gallup poll deficit that it is confronted with.

It will again start attacking the weak. We saw that in the spring. Rather than ministers getting up in this House and taking responsibility for their actions, they blame bureaucrats who cannot defend themselves, attacking the weak, rather than taking their responsibilities. What are they doing today? They are attacking the lower level classifications in the Public Service. The government gave an increase of 4.5 per cent to the big shots. Two days after that, it has a new policy. It decided on zero for the people at the lower end. This is what it has done. Now it is trying to cover itself, because it got caught hands down. It says next year it will do that.

It is this year that the people are affected by the problem. It is this year that they are faced with 6 per cent inflation. Of this 6 per cent inflation, half of it has been created by higher taxes imposed on the Canadian people by this government.

The president of the CNR got his increase this year, but the little public servants who make only $16,000, $18,000 or $20,000 will have to wait for one year. They will have zero next year because the government got caught hands down. It tried to sneak it in. When we saw that and informed the public of that, the government decided to change its mind.

Yesterday, Mr. Speaker, the minister stood up in this House and said: "Yes, in New Brunswick they have a zero increase". Yes, they have a zero increase, but the minister should have been fair to the Canadian people and told them the truth. What they have done in New Brunswick—it is a Liberal government—yes, they have a zero increase because this government has cut the transfer payments to them.

In New Brunswick, 30 per cent of their employees got the increase, those at the bottom, but not those at the top. Those at the bottom. That is the difference. In New Brunswick the employees who make less than $20,000—and it is one third of the Public Service there or 30 per cent—got an increase of 2.5 per cent this year, not zero. Those making $17,000 got an increase of 3.4 per cent, not zero.

The public servants have zero here. The government did not offer 3 per cent. Good. If government offers 3 per cent today, we will be on the its side. The public servants did not refuse the 3 per cent. The government offered zero. The government is legislating zero. If the government offers 3 per cent, we will back it up. There will be no problem. We will all agree. We know that we have to show some restraint. We know that.

We were confronted in the past with the same problems. Yes, we were, but we never offered zero when there was 6 per cent inflation. We never did that.

At this moment what the government wants is a confrontation. Yes, it was six and five for everyone. It was for prices too. It was for everyone. It was not a 4.5 per cent increase for those who make $300,000 and zero for those who make $16,000. It was six and five for everyone.

The question that faces us today is not a question of right and left. It is the question: Is it right or wrong? We could have a solution of this problem very easily because mediation is what is important at this time. In front of a mediator the union would have been able to argue what was done in New Brunswick.

• (1050)

They would have been able to argue that those at the lower end would have received compensation of perhaps 3 per cent. It is not much when inflation is 6 per cent. At least it is something to cope with the misery that they are sometimes faced with.

This government wanted to divide the country again—

Ms. Copps: It rolled the dice.

Mr. Chrétien: And it rolled the dice. It wants to gamble. It is always "my way or no way". It is always like that.

I travelled in this country all summer. I went into eight of the ten provinces during the summer and I have never seen the country in such a mood. The people are completely discouraged.

You meet farmers, fishermen, consumers. They are not very happy. They take their cars and drive to the United States and shop because the taxes have raised prices so high because of the policies of this government. They are not happy to come back with the back of their cars full of goods that they have bought in the United States. They cannot compete with prices because of the level of taxes that this government has imposed.

This government will of course impose this legislation eventually. We know that. It will use closure. It always uses closure. I remember when this House was respected a bit by the government. I remember the days when closure was used once or twice every two years. It is every week that it uses closure, or every two weeks in this House. It is always "my way or no way".

I am telling you, Mr. Speaker, the people of Canada are waiting. They want to tell this government that there should be justice in our land. They want the people on the other side to understand that it is not by confrontation that we will win. It is not because it has a majority.

Of course, it got a majority in 1988. It was on one issue. It managed to get a majority because of the so-called debate on free trade. There were other preoccupations, and now it uses that to ram through its right wing agenda. It wants to make sure that the "fats" are getting bigger in Canada. It does not care about the people.

There are a lot of people who are suffering in Canada today. They do not have a cent, and the government has no compassion for them. The people of this country are feeling terrible.

Again, we will have a piece of legislation. The bully attitude, it will win. It will use closure. The workers will go back to work through legislation. These hundreds of thousands of people are serving the people very well.

I read in a column in *The Gazette* the other day about a person in Montreal who said: "I lost my passport and I had to leave the same day. It was a terrible complication, and I was received by two public servants at the Guy Favreau Place in Montreal. They treated me very well." They had compassion. They made sure that he would not have complications because of this loss of a passport.

I have dealt with the Public Service during my long career. Most of them, 99 per cent of them, have one ambition in life: to do a good job and earn their living properly. This union has never gone on strike, ever. It has always managed to settle the claims.

There were some strikes here and there once in a while, but there was a way to handle that. There was a way. There was a conciliation board report. It does not want anybody to mediate the situation.

In the past when we were confronted with that, we were not saying: "We impose a settlement on our own." We always had a mediator or a conciliator telling us what we should do. If it was rejected by the unions, we would impose what had been recommended to us and to them.

Now, the government started the negotiations by telling them: "We want to talk, but the base is zero."

An hon. member: Great talk.

Mr. Chrétien: Great talk. And zero remains zero.

That is why we are having this problem. We will vote against this bill because this bill is wrong. This government had a choice. It could have followed the law of this land. The Public Service Staff Relations Board ruled yesterday to bargain in good faith, not to start the first day imposing zero.

Some hon. members: Hear, hear.

Mr. Chrétien: Next week this government will ask these workers to follow the law of the land. We will be asking them to follow the law of the land because there is no other society where people do not follow the law of the land. But it will be difficult for some of them. They will see the Public Service Staff Relations Board report and they will say: "The Government of Canada has not followed the law of the land and we are obliged to follow the law of the land".

Mr. Speaker, we have no choice. We have to vote against this bill.

[*Translation*]

This legislation is not necessary, there is no need for it. If the minister and the government had really wanted a settlement, they would have acted in good faith and would have negotiated. They would have considered the solution adopted by New Brunswick, for example, which gives to the weak members of the Public Service at least a little so they can face the difficult situation caused by this government, because inflation is now 6 per cent and half this rate is due to the reckless tax increases of this government.

That is why, Mr. Speaker, we must vote against this bill. We must vote against this bill because these people would not have been on strike last week, would not be on strike today and tomorrow. If only the government had done something very easy which it had the power to do, that is to name a mediator mandated to review everything, including wages. And, if the mediator had con-

cluded that the government was right and that, under the circumstances, the 0–3–3 formula was justified, then we would have had an impartial judgment and we would probably have decided to support the government.

But, right from the beginning, this government had opted for confrontation. There were weak ones that could be attacked and they would be; the big ones at the top would not be disturbed, only the little ones at the bottom. The big ones are their friends. At least, I am proud to say that, in similar circumstances, we would have very likely followed Mr. McKenna's approach where 30 per cent salary increases were given to those at the bottom of the salary scale and 0 per cent to those with salaries above a certain level.

These premiers, Mr. Speaker, I must tell you, found themselves in a situation of mismanagement of this country's business by the government which had cut the transfer payments they needed for wage increases.

Some hon. members: Hear, hear.

Mr. Chrétien: But, in spite of the difficulties they experienced because of this government they came up with a much fairer solution than the one the government is offering us now.

[*English*]

I move, seconded by the member for Ottawa West:

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

This House declines to proceed with Bill C-29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, the principle of which is to remove the longstanding rights of Canadian citizens to participate in free collective bargaining as agreed to by Canada in international conventions and as established by an act of Parliament and which principle is offensive to the House.

• (1100)

[*Translation*]

The Acting Speaker (Mr. DeBlois): This amendment is in order. Therefore resuming debate on the main motion and on the amendment. The hon. leader of the New Democratic Party.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, this is a very important debate today because we will in fact be setting a precedent for the future, a precedent about the rights of working people in this country, the government's employees, to free collective bargaining. It is also a debate about the government's obligation to respect the laws of the land, to respect the findings of its own bodies. It is also about workers being able simply to put food on the table and to live in dignity.

Today the minister said in his remarks that he is prepared to instruct his officials to begin negotiations again without preconditions. He also made other remarks about the fact that he clearly is not going to change his position on the 0 per cent wage increase. I think this requires clarification from the minister concerning exactly what the position of this government is. Through its actions and the legislation before us, this government is taking away the democratic right of collective bargaining of workers. It is treating its employees with contempt and it is denying its workers the income that they deserve.

That is why my party will not support this legislation. The New Democratic Party will not support the legislation. We cannot support a government that attacks the principles of Canadian democracy and the rights of Canadian workers because today it is these workers and tomorrow it is the rights of ordinary Canadians across the country.

This strike is causing hardship to people in this country and this government knows it. This government could have sat down at the negotiating table last week. This government could have sat down with the unions yesterday. This government could be sitting down with the unions right now. We know that farmers are suffering because of this strike. We know that it is very difficult for those in the west to have the grain shipments moved because of this strike. It is not that the union is working against the people of Canada, it is saying to this government: "We must stand up for our rights now or the rights of all Canadians will be taken away by a government that has no respect for democracy", as evidenced by this motion.

I want to say that we were with the Public Service Alliance right from the beginning and that we will continue to stand with working people in this country and we stand with them now. But I think it is important to put into context what the attack on the Public Service of this country means and exactly what it is that this

government is saying to the Canadian people by this action.

Since 1984, the Conservative government has been telling Canadians everywhere that government is the problem, that it is a bad thing. When you have a party in power preaching that doctrine is it any wonder that the Canadian public is cynical about politicians and about governmental institutions. According to the Conservatives, while government is the enemy, big business is the saviour. Privatization, deregulation, corporate handouts, all of these reflect that attitude, and though these policies have all been unqualified failures the government continues to blunder on with them. Now it is saying the Public Service is part of that, and make no mistake—I hope the Canadian people make no mistake—this is part of the agenda of this government: to make sure that the union movement does not have its say, that democracy is undermined and that there is a continuation of the corporate policies that this government pursues, not in the interest of working people across this country but in the interests of multinational corporations only. We say bring more balance in. Listen to the working people of this country.

Some hon. members: Hear, hear.

Ms. McLaughlin: Let me add to that, Mr. Speaker. We hear a lot from large business organizations saying that public service is a non-productive sector of our economy. Let me remind this House that far from being a non-productive burden on society, government absorbs many of the expenses that would otherwise be paid by private corporations, such as education and health care. Even more likely, without government involvement those services would not be left provided to Canadians.

Government has a role to work in the interests of all Canadians and I must say they have failed abysmally everywhere in that role. It has failed the farmers. It has failed the workers and it has failed the ordinary Canadians of this country by imposing measures such as the GST and the trade deal. We in the New Democratic Party and 88 per cent of Canadians are saying we are not going to take it anymore. We are standing up against this government and saying change your policies and work in the interests of Canada.

Some hon. members: Hear, hear.

Ms. McLaughlin: Mr. Speaker, I would like to look briefly at several issues that are at stake in this legislation: collective bargaining, pay equity, salaries and inflation, and the attempts of this government, in my view, to provoke a strike.

We have seen the reports of independent conciliation boards, of the government's own Public Service Staff Relations Board yesterday. The verdict is that the government has refused to bargain in good faith. This is extremely serious because the Public Service Alliance has attempted to bargain in good faith. Yesterday, in a positive gesture, they offered to remove pickets from airports and border crossings and, if the government were to come through with negotiations, to ensure and reach out to farmers. They sat yesterday with the National Farmers' Union and said: "We are concerned about you. We are concerned about this moving forward, and we want to help. We ask for a little movement from this government".

The government has an opportunity today to send a message to Canadian people. This morning on my way to work I was walking along the street. I stopped at many of the picket lines and there was one consistent message from the people. They said: "You know, we don't want to be out here. We don't want to be disrupting the Canadian people, but we know we have to make a stand now". The most common thing I heard from people was this: "Will they listen to us?" That is a refrain across this country about this government. "Will they listen to us?"

I say in all respect to this government that this is the time to listen as we move into a very difficult constitutional debate, to listen to Canadians, to listen to their own employees.

[*Translation*]

Mr. Speaker, this bill abolishes the right to collective bargaining for hundreds of thousands of Canadians. It is shameful! But this bill goes much further. It tells employers in the private sector that they no longer need respect the right to collective bargaining. It gives them too the right to treat their employees unfairly. But I wish to remind hon. members and Canadian companies that the right to collective bargaining was hard won by Canadians after tough struggle in a less enlightened period.

• (1110)

We will not let the government make a decision that takes us back many decades. We will not allow ourselves to go back to those difficult times. The rights of Canadian workers cannot and will not be abolished.

[*English*]

Mr. Speaker, collective bargaining is one of the few tools in a democracy that workers have which ensures recognition of their rights and, yes, their responsibilities. It is fundamental to justice and equality. Justice and equality cannot be represented by one side having the club and the other side having no tools at all. Justice and equality are what we are trying to preserve here in this House today. That is what the New Democratic Party stands for, to have balance in that process, to have justice and to have equality.

I would remind this House, Mr. Speaker, that just a few years ago we all witnessed with great joy and great support the work of a very important union leader and union, Lech Walesa and Solidarity in Poland. We said how wonderful this was, that they stood up against a government that was autocratic.

The union movement both in Canada and internationally has led the fight for democracy. The public servants in this country are again leading that fight and they are giving expression to the fact that they will not accept being treated with a lack of respect. They will not accept a government that says, simply, take it or leave it, you have no rights, you are not real citizens; we will simply legislate but we will not negotiate.

We are talking about democratic rights. We are also talking about dollars and cents. I want to make one particular point here and that is about pay equity, equal pay for work of equal value. This has been the law of the land for 14 years. The minister mentioned it in his speech today, but the government has done nothing. It has had seven years to implement this law. In that time, it has done virtually nothing.

What it has done instead is to attack pay equity at the Human Rights Commission. It has been trying to get the ability not to implement pay equity.

Mr. Speaker, I would like to quote a conciliation board report that put it in very simple terms, and I quote:

> Pay equity has been the law since 1977. It was time it was implemented for the federal public service.

I and my party, Mr. Speaker, agree with that sentiment, but let me say that it is long time past it was implemented. Canadian women are tired of second class salaries from a second class government. We deserve equality and fair pay.

This government says it cannot afford to pay women equally. It can just pay women poverty wages. But it can afford bonuses for management, increases for the Bank of Canada president, rewards to the consulting firms because that is the only way you can get access to the government anymore. But it cannot afford to pay more to clerks who make $20,000 a year.

The reality is, if we are to call ourselves a progressive, humane and egalitarian society, then not only can the government pay women what we deserve, it must pay women what we deserve.

[*Translation*]

Mr. Speaker, not only women are underpaid in the Public Service. The average salary is $27,000 a year.

Do not forget that many of these workers are heads of families, maybe single parents, or their family's sole income-earner.

Let us think about that for a moment, Mr. Speaker. I wonder if any of us could live on such a salary. I ask the President of the Treasury Board, the Minister of Finance or the Prime Minister whether their family could survive on such an income. I do not think so, Mr. Speaker.

An increase of 0 per cent when inflation is 6 per cent is not a freeze but a cut in pay. In the past six years, public servants have suffered similar cuts. They have already paid for the government's economic incompetence; they have already done more than their share.

[*English*]

I think most Canadians know and accept that the government's refusal to negotiate wages with the public servants has nothing to do with economics. It has everything to do with politics.

We know that Public Service salary costs make up only a small portion of the entire federal budget and that salary increases would have a minute impact on the over-all budget.

We know through Statistics Canada that the accumulated debt that this government says it wants to attack is almost entirely due to two things. It is due to the corporate tax loopholes and interest costs stemming from the government's high interest rate policies.

Sadly, I believe that this government sought this strike. It sought this confrontation because it wanted to play one taxpayer off another. It wanted to play farmer off against worker; trucker against worker. It wanted to find a scapegoat for its own economic mismanagement.

I have heard the Treasury Board President refer to Canada's 1.5 million unemployed and suggest that public servants should not ask for an increase when this unemployment situation exists. The one and a half million unemployed, I would add, was created by this government's policies, by this government's made-in-Canada recession.

I have a message for the minister and for the Prime Minister. The 1.5 million people unemployed know it is not public servants that put them out of work. It is the policies of this government that put them out of work.

It is clear that the government's strategy to turn Canadians against public sector workers has failed. It has failed because through this strike I think other Canadians understand better now that federal government employees are just like themselves. They have families. They do a good day's work. They provide services to Canadians that are essential and they face the same challenges. They face mortgage payments and rent payments, buying back-to-school clothing, which most Canadians face.

What the whole issue comes down to is justice and decency. Is the government willing to truly reconsider its position to go the bargaining table without preconditions, as the minister stated today? Is he prepared to go there and talk about pay equity for women, to talk about zero per cent, to talk about the low income earners in the Public Service? Is he prepared to show respect for the people of this country who make the institutions work?

Denying workers their rights, denying the democratic process will not only fail the Public Service workers, it fails the Canadian people.

I want to say in closing that there is a simple question here. How can the government justify major increases for senior managers, increases for the heads of corporations like the Bank of Canada, and at the same time say that the clerk trying to get by on $20,000 does not deserve some pay increase? It is a simple question of right or wrong. It is a question of what kind of Canada we want to live in. It is a question of fairness and justice.

• (1120)

So, Mr. Speaker, my party does not support this legislation because we support the fact that Canadians have a right to express their views and to negotiate with their employer in a free, respectful way.

It is with some sadness that I say that the government continues to bring Canada to the brink of despair. It has a chance today to negotiate. Begin the process now, show respect for the workers, and you will have the support of the New Democratic Party.

Some hon. members: Hear, hear.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I am pleased to enter into this debate to try, if I can, to bring a little different perspective to the comments that have been made so far by the members of the opposition parties, and to maybe straighten out some of the misconceptions.

The Leader of the New Democratic Party spoke three or four times about pay equity. She obviously did not listen to what the President of the Privy Council said, that pay equity discussions are ongoing, they are not part of this at all. In fact, I attended a meeting of the Treasury Board the other day where this matter was talked over in detail. Pay equity is an ongoing consideration and we are handling it through the Human Rights Commission rather than through discussions under Bill C-29.

I want to talk for a few minutes about the effects of the strike on the people of Canada, because after all they are the ones who are, I believe, suffering the most. I recall just before the deadline for the strike, Thursday as a matter of fact, that there was a meeting of the PSAC union in Hamilton. They decided that they were going to close down Hamilton industry that depended on Hamilton harbour for its livelihood. They made a plan to occupy the lift bridge into Hamilton harbour. They were going to run their cars on to the bridge, turn off the

engines and abandon their automobiles. In that way the bridge could not be lifted and ships could not get in and out of the harbour. The reality is that the police moved in on Friday morning and told those people who stopped their vehicles on the bridge that if they did not move their vehicles the police would tow them away and they would have to pay the towing charge, the storage charge, and be fined for obstructing a public throughway.

What was at stake here? What was at stake really was that there were two ships sitting out in the lake ready to come into the harbour, there were 10 ships scheduled to come through the canal over the weekend, and a handful of people were going to bring this economic unit to an absolute standstill. They were going to say: "Your ships cannot go in and out because we cannot get an agreement, or our union is not able to come to an agreement with the Treasury Board".

I object very much to that sort of conduct. Aside from that, I have had people call me, telling me that they are in the produce business and had produce in tractor trailers held up at the bridge. They could not get through the bridge at Niagara Falls and Fort Erie and in Detroit. Therefore, the fruit was rotting in some of the containers. I have had manufacturers call me and say they had materials tied up in containers in the customs warehouses around the Toronto–Hamilton area. They said if those containers were not released, they would have to close down their operations.

General Motors was bringing in automotive parts by air to the Oshawa airport. One manufacturer in Burlington called me and said that if he did not get his materials, Ford Motor Company would have to close down two production lines in Talbotville and one in Michigan that produced a certain model of Ford automobile.

These are just a few in my immediate area. Then, we go across the country and look into the position of the grain farmers in western Canada. What is happening to them is that we begin to see how devastating this is to people in the farming community. They just have no opportunity to do very much about it.

We have pressures on us from manufacturers, farmers and wholesale and retail people who are telling us that they want this matter settled. If we cannot come to an agreement, they say: "Legislate them back to work." If they do not go back to work, we are in a very serious condition.

The government has been negotiating with PSAC for 90 days. It was 60 days of straight negotiation and 30 days in conciliation, and it has not been able to come to an agreement with PSAC. It has made an agreement with four bargaining units within the Public Service and there are several more ready to announce within the next few days. We think that we have bargained in good faith and done everything we can to bring this matter to a resolution.

I am here to tell you that if we cannot get an agreement, then the legislation will go forward and they will be legislated back to work under the zero, three and three.

There has been a misconception. I will not call it a lie. I will call it a misconception. Perhaps it was planned as part of the tactics of those who oppose what we are trying to do. Zero, three and three covers everybody. It covers the Prime Minister, cabinet, members of Parliament and all agencies, governments, Crown corporations, judges, RCMP, the Canadian Armed Forces and everyone who receives a cheque for services from the federal government.

The lie that is being pushed out there is that: "You guys fattened your pocketbook and left us out there. Now, you are going to pay yourselves off our wages."

Anyone who knows anything about the Public Service of Canada and its 390,000 employees knows that there are dozens of bargaining units, each with a closing date. Zero, three and three applies to each one of those units when that agreement expires. That is just plain common sense. Maybe some of them would like to have all those agreements occur on one date. Maybe that is possible. I do not know whether it is desirable or not.

I think we should study it to see if we want it to go that way or not. I do not think we do. I know that we cannot, as a government, continue to allow this strike to go on and allow the services to be denied to the people of Canada. We have to come to an agreement to settle this.

Take the people travelling out of some of our major airports. We settled with the air traffic controllers. They settled on the basis of zero, three and three but the entrance into their place of work is being obstructed by

other people in the Public Service who are out on strike. We cannot allow that to go on.

We cannot allow people who have to travel in this country for a whole variety of reasons to just suddenly be brought to a grinding halt. We think that is wrong.

So it is. We have settled with engineers. We have settled with certain ships' crews in the maritime service. We have settled with a number of unions in the Public Service, and we are continuing to bargain.

• (1130)

I want to say just a word about the decision that was brought down by the Public Service Staff Relations Board. We felt all along that we were bargaining in good faith. We have met, as I say, for 60 days for negotiations and 30 days of conciliation. Any of these negotiations are tough. We are dealing with professional people on both sides. I have judged, looking at the process, that they have been fair all the way through, but our difficulty is that when we get people like Mr. Bean, who has said: "You know, this is not a monetary matter. We are politically opposed to the Government of Canada." That is what it is: "We are politically opposed to them". It is not a monetary matter at all. That is what we get when we talk to them.

We feel that we have bargained in good faith all the way through. The minister has ordered his negotiators back to talk with PSAC, with Mr. Bean, and he has said that we will discuss anything on the table, but the zero, three and three stays because it is part of the economic policy of this government brought down in a budget on February 26 and it stays. It is not going to be changed. Therefore, we are prepared to talk about non-monetary issues in the discussions that are before Treasury Board. We are prepared to talk about them and probably reach some agreements.

None of these things are easy. We look back on when we had other restraint legislation not brought in by our government but previous governments. I remember those debates. I was here and they were rancorous. When we had the six and five they just suspended any negotiations whatever. Any Public Service agreements that were in place were just suspended. That was it, they were just suspended. They went along for a period of time and finally they lifted them because it brought other pressures on the government.

Our main position is that we have to deal with the economy of this country in a realistic, across the board way and everyone has to contribute to that. We have said that everyone in the government will be subject to zero, three and three. When we look at the private sector we see companies laying off people. We see rationalization of industry because of the movement in various types of commerce in the world and in manufacturing in particular. We see manufacturers in Canada who have decided, for economic purposes, that they are going to use just-in-time delivery only to find that the materials they need for that just-in-time delivery are sitting at the border in trucks, containers and what have you. We cannot allow that to go on. If we allow it to go on there is going to be a massive lay-off in many of our industries.

A gentleman called me up and said that if we did not release certain materials that he has coming through the border that he is not going to be able to deliver certain supplies to the steel companies in Hamilton. That is going to have a disastrous effect. Combine that with the closing down of the Hamilton harbour, what would you have? You would have chaos in the city of Hamilton.

I am of the view that we have taken the right course and that we are doing the right thing at this time. It is not pleasant. We do not take any particular joy in it, but it has to be done for the good of the country. The economy is showing some improvement. Interest rates are down, inflation is moving downward and there is a good deal of economic activity. In fact in our area of Hamilton-Oakville-Burlington area the—

An hon. member: That is not true.

Mr. Kempling: You will have your chance to speak so say what you want to say.

In our particular area, *The Hamilton Spectator* recently carried a story saying that Oakville, Hamilton and Burlington are going to the high employment areas in this next 12 months. You would not know because you are never there.

An hon. member: You don't know what you are talking about.

Mr. Kempling: Go back to the sewer. At any rate we have a good thing going in the area and I think we are going to come out of this thing quite well in spite of the yapping I hear across the aisle. We are going to come out

of it quite well if we stick to the program we have put in place.

The budget brought in by the Minister of Finance on February 26 was a recovery budget. It was meant to regenerate economic activity in the country. It is doing that. We are beginning to see the signs. Real estate sales are up for six months in a row. We think the economy is beginning to turn around quite nicely and we are going to be the beneficiaries of it down the road.

The thing we have to do is show leadership. We have to show the private sector that we will not allow government expenses to get out of line. We have put a bill in place for that. We cannot allow wage settlements in the government sector to be out of line.

Six of the provinces have followed suit and have taken the lead from the Minister of Finance and indicated that they are either are going to do the same or have done the same thing as the minister suggested in his budget. Therefore, I think we are on the right course and we will come out of this in pretty good shape down the road.

We will, as minister said in his speech, comply with the request of the Public Service Staff Relations Board and are ready to meet with Mr. Bean and his negotiators to see if we can reach some sort of an agreement with them on non-monetary matters and other matters. We hope they will come to the table and do what they can to help the process along and do their part.

It is rather ironic that their own employees have to be represented by unions. I do not think they have bargained in good faith with some of their own employees. From what we read in the news comments, they have had some difficulty in coming to agreements to amounts less than zero, three and three. But we have had good success so far with several bargaining units and we are going to continue to bargain with them. We are confident that as time goes on we will be able to bring this matter to a conclusion this week and we will proceed with other legislation as it comes up.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would just like to ask the member a couple of short, sharp questions.

I listened to him and I really found it a bit offensive. He said that we negotiated and we ended up and we settled with a number of unions at zero, three and three and they are perfectly happy. I would like to ask him if in all good conscience he can tell me that they negotiated with the air traffic controllers, the ships' officers, the engineering people and did not give them monetary compensation in some form or other, whether it was in upgraded classification or through financial compensation. What you did was all through the back door, but you are not forthcoming. You do it in a very conniving and wrong-headed kind of way. It is not open. It is not for the public to understand.

If you can show me one of those groups that did zero, three and three I would be very pleased to say that I was wrong and that you were right. I have a sense that there was certainly compensation of some kind so that you could negotiate. Why do you not do the same thing with the Public Service Alliance? Why do you not negotiate while they are at work? Why do you not appoint a mediator and allow those people to go back to work? They want to work and at the same time do the right thing in terms of their ability to meet the increased inflationary costs across this land. You have not allowed them the dignity of their right to work and at the same time their right to compensation which you have done with the other groups that you say you have negotiated with zero, three and three. You know that you have not done that.

• (1140)

Why do you want to leave those doors closed, rather than open with respect to negotiation? You know very well that you have also given yourself a clause in this bill that is totally reprehensible. Again, it is government through Order in Council. That is wrong and you know that.

In many ways I have a lot of respect for the member for Burlington. But when he can stand there and hold the government line in that way, it is totally unacceptable. Just stand up and tell the truth about how you negotiated those other contracts and what the monetary compensation was.

Second, could you tell me why you do not take a leaf from what Judge Gold did with the post office and send them back while you negotiate? Last, are you prepared to take that cut in salary? I am. Are you?

Mr. Kempling: Mr. Speaker, if those are short, sharp questions, I guess we have a new meaning for short, sharp questions. The member knows that the various agreements we have signed have different closing dates. All those closing dates were prior to the February 26 budget. In many cases they settled for 4.2 per cent for back pay, but from the point of the signing of that contract forward it is zero, three and three. They accepted it without a great deal of difficulty. They realized the position the government is in regarding restraint.

I would be pleased to see if I can get the details of those various contracts.

Mrs. Finestone: Table them.

Mr. Kempling: I cannot table them. The minister can table them. At any rate, they are private between the Treasury Board and the unions themselves and we would have to get their permission to do it.

I do not see that we have bargained in bad faith. I think we have done a very good job thus far. This legislation is necessary in order that we are able to continue our economic policies.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the hon. member did not answer the last question regarding the fact that the public is under the impression that MP's, senators, presidents of large corporations, the Governor of the Bank of Canada, and many other people, have already received a salary increase.

This impression is there, Mr. Speaker, and it is true that in the case of MP's the law says that on the 1st of January there will be an automatic increase in salary amounting to the cost of living minus 1 per cent. Like myself, some hon. members would be willing, Mr. Speaker, to give back the amount involved.

My question to the hon. member for Burlington is very straightforward: Is he, personally, willing to return to the Consolidated Revenue Fund of the Government of Canada, money he received since January 1st in order to bring himself to the same level as civil servants, members of the Alliance or other unions, which are subject to this 0-3-3 policy?

[*English*]

Mr. Kempling: Mr. Speaker, I find this rather fascinating. I cannot remember the member for Ottawa—Vanier at any time when parliamentary salaries or allowances were being negotiated standing up in his place and saying: "No, no, we don't want that". But now in a grandstanding way he is able to stand up and make an issue like this.

Our salaries and allowances, as the member knows, are set by statute and by agreement. They are effective January 1.

From January 1992, that period on, members of Parliament will have zero, three and three in effect. That is the way it is. Everybody will have zero, three and three: RCMP, Canadian Armed Forces, everybody who works for an agency or board, or Crown corporation. Anyone who receives a cheque from the Government of Canada will have zero, three and three. That is the way it will be. We are all equal as far as that is concerned.

The Public Service settlement that was made last year was 4.6 per cent. How far back do you want to roll it?

Mr. Gauthier: The question is simple. Is the member for Burlington ready to roll back his salary like many of us here on this side are willing to do—it is not grandstanding—so that we can meet with his government's policy, the policy of the Minister of Supply and Services of zero, three and three. It is not grandstanding. It is a simple question. Yes or no?

Mr. Kempling: On January 1, 1992, members of Parliament will receive zero, three and three. That is it. That rolls back whatever we have had in our statutes. It is grandstanding.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The hon. member for Hamilton East for a brief intervention.

Mrs. Sheila Copps (Hamilton East): Yes, and I would also like to reserve my right to raise a point of order, Mr. Speaker.

[*English*]

I would like to ask the member a very direct question. It has been asked once before. He refuses to answer. Is he willing to show Canadians that he is going to set the example by rolling back his salary as of last January?

Mr. Kempling: Mr. Speaker, I do not know how many times I have to say it. Our wage adjustment was put in place prior to the February 26 budget, and that is the guideline that we have to follow.

When our wage adjustment comes up January 1, 1992, we will be subject to zero, three and three from there on. That is the way it is, and that is the way it is with all the bargaining units within the Public Service. We are no different.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, the member for Burlington talked about the tremendous inconvenience that had been going on in his riding.

Of course, there is not a riding across the country that is not experiencing some form of inconvenience. We all would like the Public Service to get back to work. We know that if you would appoint a mediator, this could happen right away.

There is another group of Canadians here that is being lost in this debate. It is the 2 million people who do not have a job.

The hon. member for Burlington talked about the fact that in his riding, there was very little unemployment. He talked about the fact that it was going to be a growth area for employment. I would like to know what he is doing to pass on whatever ideas or programs he is implementing in his specific riding so that the rest of his government could pass on those ideas to the rest of this country so that the 2 million unemployed could get back to work. I would like the member to address that.

The unemployed are the forgotten people in this debate.

Mr. Kempling: Mr. Speaker, I do not know how much time I have, but I could go on for a couple of hours on that.

We have had a good deal of industrial activity in the area generally. We have added about 53 new manufacturing operations. It is very, very encouraging and very good. There has been a good deal of rationalization of industry as well across the country and across the province.

I can recall one company that moved in. Toledo Scale called me and said it had good news and bad news. I said: "What is the bad news?" It said: "We are closing down our manufacturing operation in Windsor. It has been going since 1890." I said: "What is the good news?" "Well, I have more bad news. We are closing down our head office in Mississauga."

I said: "Can there be any good news after that?" He said: "Yes. We are putting a brand new state of the art plant in Burlington where we are combining our manufacturing and head office operations. We will be able to compete on a global scale." That is the sort of thing that is going on all over southern Ontario.

• (1150)

The Acting Speaker (Mr. DeBlois): Resuming debate, on a point of order the hon. member for Hamilton East.

Ms. Copps: Mr. Speaker, I would like to get up on a point of order and I would like to ask the Speaker to request clarification of the statements made by the member for Burlington. I do not know what planet he is living on, because one-third of the manufacturing jobs across this country have been lost in the last year.

When I challenged his statement that the Hamilton-Burlington area was coming up roses in the employment sector, he said to me, and I quote: "Go back to the sewer". He most certainly did and it was heard by every person sitting on this side of the House. He said to me: "Go back to the sewer". It is not the first time that that member has personally insulted me in a very denigrating way. I refer, Mr. Speaker, to chapter 7 in the Rules of Debate. You cannot use words like "false", "pig", "reflections", "rotten", "spurious", "stinker", "stupid", "subterfuge", "trickery", "truth", "unfair"—

Well, I dare say, Mr. Speaker, that the suggestion "Go back to the sewer" is equally as demeaning to this House. And, when you are talking about the allegation that the employment situation in my community is fantastic, I think I have the right to challenge that, and I don't think I should be told to "go back to the sewer" for challenging it.

I want a retraction here in this House by that hon. member.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Has the hon. member for Burlington any comment?

[*English*]

Mr. Kempling: Mr. Speaker, I do not know that the comments were made in that context. I stand by the fact that there is a good deal of economic revival in the Hamilton—Burlington area. Steel Company of Canada has a large number of orders. Dofasco's order book is right up to top. There is economic activity all over.

As far as the "sewer" goes—I mean, when you speak in this House and the member for Hamilton East is there, she just chips in all the time. I can remember when the Prime Minister was here and the insulting comments she made to the Prime Minister, day after day after day. But when anyone makes a comment to her she likes to— So, if I have said anything—and I did not say any of those stupid words that she read from the book, I did not say any of those—but if I said something that offended her, I apologize, I take it back.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Then, I consider the matter closed. Resuming debate, the hon. member for Ottawa West.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to start these comments today with a thank you. I want to thank all the people, and there are a quarter of a million plus of them across this country, who every day deliver services to Canadians. I want to thank the people who help my constituents in getting their unemployment insurance cheques, who help them find jobs or training programs when they need it, who help seniors process their old age security cheques, even when there are now backlogs, delays and tie-ups at offices arising from cutbacks in the public service and a cutback in services to Canadians.

I want to thank those people I have met in Atlantic Canada who go out on the ocean and risk their lives to save other Canadians and to provide much needed services to shipping and transportation. I want to thank the people in Cranbrook and the people in Vancouver whom I have met with who are working for the Government of Canada because they want to deliver services to Canadians, who are frustrated and fed up because they are not being provided with the resources to be able to deliver those services, and the managers, who are having to do more with less and know that, in fact, what they are doing less with is less.

I want to thank all those people. I do not want to name any of them because all of them feel under threat from this government. All of them feel that any expression of an open opinion on how badly this government is managing the country can lead to them being the next on the hit list.

The Liberal Party of Canada appreciates the important role the Public Service of Canada has played in the building of this nation and in progress and prosperity for Canada world-wide.

We recognize that politicians may have had the dream of a nation from coast to coast to coast, but the people who put the bricks and mortar together include the public sector, the people who work for the Government of Canada, who carry out the wishes of this Parliament.

We believe that the country only works when there is a co-operative relationship between Parliament and the employees of the Government of Canada, based on respect and a sense of fair play. That is what is being eroded here, Mr. Speaker, far more than simply the question of what happens with somebody's pay cheque next month or next year. It is a question of whether or not this country can keep functioning productively and efficiently if this government continues to insist on using its own employees as the victims, the scapegoats of its own mismanagement of the economy, social programs, international relations and everything that is important to Canada.

In a broader vein, any nation needs a co-operative partnership between government, management and labour if it is to prosper and to make progress. That multisectoral partnership is essential to our competitiveness abroad, to our ability to continue on the road of nationhood.

What we are seeing here is part of a much bigger agenda. It is not simply a question of what is in the pay envelope next week. It is a question of persuading all Canadians that they have to be satisfied with working for less, that our economy, as a result of the policies of this government is going to become an economy of lower paid, unskilled jobs. You persuade people that they have to work for less and under any conditions and yet at the same time you deprive them of the institutions that protect their rights to fair, open bargaining with their employer.

Those rights are under attack, not just for the public servants in this case, but for all Public Service employees and for all private sector employees.

I want to talk about a couple of things. First of all, the government is perpetuating the myth that somehow this has to do with the economic situation of this country. We all know who has created that economic situation, and if we ever needed more evidence, we just need to look at the way in which they are using that as an excuse in this particular case. We heard nothing in the February budget and we are hearing nothing in this debate that we have not heard for six consecutive years. In six consecutive budgets this government has said to Canadians that they should pay more taxes, accept fewer services, accept the deterioration of medicare, education, science and research in this country. Pay more but get less. The government will downsize the Public Service; it will pay them less, and they have accepted decreasing wages against inflation for many years now. They have exercised restraint.

The promise was that for all this pain, all those extra taxes, all those cuts in services, what Canadians would get was a lower deficit and a lower debt. What has happened in those six years is that the debt has doubled. Is it not time for the government to admit that it is its fault and that this program is not working, has not worked and will not work.

There are some reasons for that. The entire payroll of the union that is now on strike against this government is only 3 per cent of national spending. That is less than the $5 billion per year this government spends to contract out.

On that note I want to switch and talk about fairness. This bill that the government tabled before us yesterday demonstrates boldly, crudely, that this government has no intention of being fair, that its plans have absolutely nothing to do with fiscal responsibility or the debt or the deficit, but simply breaking the backs of its own Public Service employees.

• (1200)

There is an exception in this bill which says that while Public Service employees will get a zero per cent increase, our friends, all those consultants on whom we have spent billions of dollars to tell us we love the GST and we love the green plan, and we love the government, are not subject to a freeze on their costs now or in the future.

I remind people again that what we spend on those contractors is many times what we spend on these people who are now on strike against zero. Who are these people who are on strike against zero? They are not the president of Petro-Canada with a salary of over $400,000 a year who got a $20,000 raise. They are the people whose entire salary is $20,000 after 15 years with the Government of Canada. An entire salary of $20,000 gets no increase while an appointee of this government earning $400,000 gets a $20,000 increase. That is not fair and Canadians know that is not fair.

There is money for the fat cats from this government, lots of money for the fat cats, and no money for the work horses who keep this country running every day. If we ever needed proof of just how important their work is to keep this country running, we have certainly had it in the last week and a half.

This government has deliberately played politics with the fundamental infrastructure that keeps the economy of Canada running. It has deliberately provoked a strike that has disrupted transportation, disrupted the movement of goods and services, disrupted the movements of Canadians, and disrupted our social programs. The government will keep on doing that instead of accepting, as the Public Service Staff Relations Board decided yesterday, that it is breaking the law. The government can correct that and conform with the law immediately by getting back to the bargaining table, by negotiating as it should have been doing since last February and avoiding everything that is happening to this country as a result of its failure to do that.

All the government needs to do is appoint a mediator, get back to the bargaining table, and show it is looking for a solution instead of the continuation of problems.

I want to speak particularly about those who are hurt by this government's actions. While we, as members of Parliament, get our increases in a year of high inflation, while the high paid appointees of the government get their increases, while the deputy ministers and the senior managers earning over $150,000 get their increases and will even get their bonuses, their pay-offs for lay-offs, people earning $20,000 or less going down to as low as

$16,000, get nothing. Canadians know that that is not fair. Canadians also know that 80 per cent of the people in those lower income brackets are women.

If this bill were tested against any standard of equity between men and women, this bill would contravene the Charter of Rights and Freedoms. We have other examples of inequity. We have regional rates of pay where somebody working in the poorest provinces of this country are paid less than people working in other parts of the country for doing exactly the same job. That is not equitable and that is not right.

The ministers and the members opposite keep saying: "Yes, well we will get zero too". Oh, boy, is that not nice. This year, when inflation is over 6 per cent, almost entirely due to tax increases by this government, we get our raise. But somebody earning $20,000 who cannot afford the price of bread does not get an increase. Sure, next year we will take zero when the government is projecting that inflation will be down to 3 per cent. Let us do it to ourselves when it is easy and do it to everybody else when it is tough.

The government has not been fair even among its own employees. The members opposite have said: "Other unions have accepted zero, three and three". I challenge the government to show me one contract that has been accepted at zero, three and three without other compensation to employees. The government has talked about the engineers, the air traffic controllers, the ships' officers and other groups. In every one of the contracts that has been mentioned there has been financial compensation to people for accepting zero, three and three. Either it was a lump sum payment or some shift in how wages are applied. It is upgrading a whole group by a whole classification. The government continues the unfairness because it still holds unto itself the right in this bill to change people's classification so they can say: "We are not giving them a raise. They are just getting a reclassification".

More money in your pocket is more money in your pocket, so I ask why this government is doing it for its best paid employees and not for its poorest paid employees. There is only one answer to that. Its purpose here is not to be fair, not to challenge the deficit and the debt. Canadians understand belt tightening, but they do not understand this kind of injustice and unfairness. Its job is to persuade the lowest paid workers in the Public Service of Canada that they had better be prepared to work for this government under any conditions at any price. It is a message they are trying to get out to other workers in Canada.

Collective bargaining is a basic right in a democratic society: the right to sit down with your employer and co-operatively decide what your working conditions are going to be and what your compensation is going to be. This government has violated that right and it intends to undermine that right for every other worker in Canada.

I want to make a few other comments before concluding. Collective bargaining is in danger in Canada and when collective bargaining is in danger, then the rights of any employee, any person working for a salary in this country, is in danger.

I want to talk about who is responsible for this situation. It is certainly not the public servant who is responsible for the unemployed in this country. It is not the public servant who is responsible for putting Canadians at each other's throats. I am disgusted by what I have seen in the last week—the actions of this government putting people in a position where the grain harvest is in danger and where all segments of society are suffering simply because the government refused to talk to its employees.

This is a political fight. The difference is, nobody in this House is putting the livelihood of their family on the line. But the people who are out on strike are putting as little or as much as $1,000 in two weeks and sometimes many times that on the line because they believe they are fighting a government and a principle that most Canadians support as well. They believe they are seeing the fulfilment of the Tory agenda to disrupt yet another institution of government.

The Leader of the New Democratic Party has said they have been behind the alliance from the beginning. Well, we have taken a very strong stand against this wage freeze. We knew it would lead to this, even if the government did not. But we do not walk in here a vote the way big business tells us, like the government does. We do not walk in here and vote the way the president of any union tells us. We walk in here and vote based on what we hear from our constituents, from Canadians from the business community, from the farmers and fishermen of Canada and we say: Get a solution here.

Appoint a mediator. Stop breaking the law. Get back to the bargaining table and get services back to Canadians.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I know I am sitting so high up here that it is hard to see me. Hopefully, they will not put another row behind the curtains here or Pat and I will not be seen at all.

I wanted to ask my colleague a particular question that has been bothering me through this whole episode, and that is the fact that on the one hand we have been told consistently over the last seven years that the Prime Minister is the great negotiator, the individual who has the ability to conciliate with the different groups in the country and put together a package that all Canadians will accept. During that process we have also been told that the Prime Minister understands labour because, as you know, he used to do that for a living before he decided to attempt the most difficult job in the land and that is to run this country and to be the Prime Minister, the top official in the land.

• (1210)

I have in front of me the last 20 years of back to work legislation. I might say that it intrigues me that in the last 20 years there has been back to work legislation—all under previous Liberal governments I might add—but one of the things that interested me the most about looking back in the past and looking back at the records is that every one of these pieces of back to work legislation had the abilities for an arbitrator or a mediator put into it.

One of the things that I wanted my colleague to maybe touch on a little bit for us is why the great conciliator, the great negotiator, the present Prime Minister, did not even attempt to allow the process which we call collective bargaining to have its final conclusion. If things completely do break down there is a system which allows for an arbitrator or mediator.

I just want to quickly run by a few. In 1972 there was the St. Lawrence Ports Operations Act and it allowed for Judge Alan Gold to mediate. Again, in 1972, the West Coast Ports Operation legislation called for a mediator if no resolution was found. In 1973, Maintenance of Railway Operations Act, Judge Alan Gold again. In 1974, West Coast Grain Handling Operations Act, Dr. Neil Perry, University of Victoria, as a conciliator. In 1975, West Coast Ports Operation legislation calls for an arbitrator if no resolution found. It goes on and on and on.

During the comments that I will make during my speech I will focus a little bit on these.

I would like to ask the member what her sense is as to why the present government would not attempt to do something as obvious as other governments have done in the past and learn from the institutions that we have put in place which will allow for these mechanisms to work?

Mrs. Catterall: Mr. Speaker, I thank my colleague for the question. Before coming directly to an answer, I think he has raised some very important points that I hope people are keeping in mind in this. The first one is that I think the Prime Minister could be capable of negotiating. I think there has been a deliberate plan here since last February not to negotiate and, in fact, to ensure that a strike would happen and that it would be as disruptive as possible to the country. In other words, I think the government deliberately decided there would be an interruption of services to Canadians so not only is it holding its own employees hostage, but it is holding Canadians hostage.

For instance, the government clearly knew when it introduced the budget and when negotiations could have started last February it could have reasonably predicted, I think, that in September the grain elevators would be full and that the shipping of grain and the very harvest itself and the livelihood of farmers across the prairies would be in jeopardy if we were not able to move that grain. Yet the government chose not to use the power it has to designate the people working in the grain industry as essential workers. It could have done that last year. It could have done that at any time and it chose not to. To me that is a sign of a government that wants to create conflict and wants to create disruption of services to try and recoup some of its rapidly disappearing support.

I think we are also seeing a style of government here that we have seen consistently since September 4, 1984. We saw it in the free trade deal where the idea was not to bring Canadians together, but to encourage each segment of society to look only at what is good for them, not what is in the interests of the country. We have seen the promises of jobs, jobs, jobs and yet we have seen a huge

segment of our industrial base disappearing. When the government promised pink slips and running shoes to public servants in 1984, it did not say it also meant pink slips and running shoes for jobs, for seniors, for the unemployed and for Canadian business, but those have been the results. We are seeing the same approach as we saw in the Meech Lake Accord where it is my way or no way.

I have decided this and so you have to accept this and I think what typifies this whole approach of the government is really that horrible week in June that we all lived through when we saw provincial premiers being bullied, when we saw all kinds of psychological warfare because a few people felt that not every dot on an *i*, not every cross on a *t* in the Meech Lake Accord was perfect.

I think Canadians want leadership that is going to bring them together, not divide them, not put them at each other's throats. That is how I explain the situation we are in right now.

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): So, Mr. Speaker, the House of Commons is placed in the rather undesirable situation of having to debate a special back-to-work legislation reguarding the members of the Public Services Alliance of Canada.

Certainly such an outcome to lenghty and unsuccessful negotiations cannot be seen as satisfactiory, and should not be for that matter, by anyone in Canada. Some accuse government of inflexibility, while others blame the union leaders, their irresponsibility and their attempts to score political points on the back of the Canadian public and their own membership.

Those who support these two conflicting philosophies will come up with all kinds of arguments to defend their position. Heaven knows that there is no shortage of them. The main problem facing us today, Mr. Speaker, is not to determine who is right and who is wrong in this conflict, and whether the government could have done more for his employees or whether union leaders have gone too far once again; neither is it to decide whether the right to strike has been trampled on, respected or abused. The main problem we are confronted with today, Mr. Speaker, is sadly our collective—and I stress "collective"—inability to restore some sanity in Canada, to set our country a logical and serene course instead of that windy and unsure road of confrontation that is destroying it.

This conflict within the public service of Canada is simply the product of excessive selfishness and individualism as well as a blatant lack of respect for authority and the law of the land. This conflict also reflects an intensive downgrading of all the values that were a source of pride for us in the past, particularly the traditional tolerance of Canadians which is increasingly giving way to intolerance.

It is altogether amusing and sad, Mr. Speaker, to see for instance how in the opinion of Quebecers Ottawa is wasting all its money in an effort to support farmers in Western Canada, how for the people of Ontario Canadians from the Atlantic provinces who fish for a living are insatiable leeches feeding on the taxes paid by the wealthier provinces, and how the people of Manitoba to this day still seem to bitterly resent Quebecers for getting these now famous contracts.

Finally, Mr. Speaker, under this public service conflict lies another Canadian reality, namely that for a majority of Canadians from wherever they live, the federal system is no longer benefitting them but only benefits their neighbours, at their expense of course.

Our nation has become—and I am very sad to have to say that—an extremely egotistical nation which fails to face reality. Our problems are rich kids problems and, more often than not, spoiled brats problems. We all demand more and more from the federal government, from our boss, from our community, from our municipality and our school board but, at the same time, we want to give less and less.

We Canadians are after short term gains, as if under the threat of an imminent world-wide nuclear war. Every budget cut made by this government or other governments in this country is met with a general outcry, thousands of dissatified voices from all parts of the country claiming that the cuts should have been made elsewhere. But if the government had the unfortunate idea of doing just that, other voices, contradictory voices would rise immediately to protest vehemently such action.

• (1220)

Yet the crybabies and spoiled brats that we have become want to see our $400 billion national debt eliminated or at least reduced. However, when the federal government or a provincial government bravely engages in that undertaking, no one is willing to make the necessary sacrifices.

On that subject, Mr. Speaker, quite frankly, the public service of Canada employees are no better and no worse than the vast majority of Canadians. I am disappointed, Mr. Speaker, because Canadians seem to have forgotten to take a good look in the mirror in the morning and ask themselves: "What can I do today for my country and help resolve this crisis?" Instead, Mr. Speaker, we Canadians prefer to acknowledge that a problem does exist of course but we choose to blame it on our neighbour, our boss and ultimately on the politicians, whatever their political stripe, and on any and all governments.

When it tabled the budget in February, the government had the courage to put down in black and white its strategy for economic recovery and deficit reduction. The federal government never concealed its hand from the unions or the Canadian people. Quite the contrary, it clearly stated its priorities. I find it very surprising today, Mr. Speaker, that members of the House of Commons of Canada would want to delay the passing of this back to work legislation. Each new striking day will only do more harm to all Canadians, including the strikers and their families.

It is time we as Canadians stopped playing this useless game of national self-destruction. We should stop wondering who is responsible for this strike and consider all the implications of a labour dispute that is being forced on thousands of Canadians. First of all—and this point was not brought up so far in this House, by government or opposition members, but it is a very important one—in addition to having their salaries frozen by the government in 1991, which is not very palatable to employees in the public sector, in addition to having their salaries frozen, Public Service union members are about to lose 4 per cent of their salary because their union is keeping them on strike for another week. Mr. Speaker, every week on strike means a 2 per cent drop in the annual pay of Public Service union members. This is not a cut imposed by the government but by the Public Service Alliance of Canada which forced its members to go on strike.

Granted, the federal government is doing nothing this year to improve the salaries of union members, but it seems to me that today, public servants are suffering even more at the hands of their union leaders, whose strike strategy will cause them to lose even more money.

Second, the present dispute is doing serious harm to our fledgling economic recovery. Can Canada afford this useless confrontation? Third, thousands of Canadians are no longer receiving the essential services to which they are entitled. In some cases, the strike is causing very serious harm to the poorest and most vulnerable in our society.

Fourth, the unions must realize that when they work for the government, they are in a monopoly situation. When Canadians need a passport or an unemployment insurance cheque, they have to go through the federal government. Government employees should realize that the unique job security they enjoy is a benefit that does not exist anywhere else in our society.

Fifth, our fragile economy can no longer afford the kind of disruption this causes for our airlines, airports, meat inspection and grain shipping. Some unions, some union leaders and some members of the opposition have said the federal government was glad to see public servants on strike because this meant it would save several million dollars a day in salaries. That is extremely shortsighted. Mr. Speaker, the Canadian government knows perfectly well that every day of this strike costs the Canadian economy a lot more than the number of dollars saved as a result of the work stoppage.

Mr. Speaker, it is in Canada's national interest to put a speedy end to this labour dispute. This back-to-work legislation has become imperative because the strike has interrupted essential services, in addition to causing very serious harm to innocent Canadians. Our airlines, already in financial difficulty, are losing millions of dollars daily because of problems at the airport.

Canadian auto manufacturers are having all kinds of problems because the parts they need are held up at customs. Fruit and vegetables are held up at the Canadian border, and meanwhile their quality deteriorates. Our grain is not delivered on time. Canadians cannot get their passports in time for the trips they have planned. Businesses no longer receive payments owed by the federal government which annually purchases $20 billion

worth of goods from our businesses. This shortfall is a threat to jobs in many small businesses in Canada.

Considering these and many other reasons, I find it hard to understand why members of the New Democratic Party consider the right to strike as a supreme right in this country and refuse to entertain any negative consequences of the present situation. Instead of helping to settle this dispute, the NDP is doing its best to delay passage of special legislation and aggravate the situation.

Mr. Speaker, Opposition members are fond of making patriotic speeches about Canada and about how much they love this country. Today, Opposition members have a unique opportunity to put those grand ideas into practice and help Canada out of this crisis, instead of fanning the flames of controversy.

For all of these reasons, I think this labour dispute should be terminated today. I therefore urge all members to ask that the debate be concluded and adopt forthwith this back-to-work legislation for Public Service employees.

[*English*]

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to make a very brief comment and then pose a couple of questions to the hon. member.

As I was listening to his presentation, I was wondering whether he had heard the eloquent presentation by my colleague, the member for Ottawa West, when she reminded Parliament about the role of the public servants.

I think it is clear to all Canadians that public servants are there to serve Canadians, to serve our seniors, our new immigrants, our new citizens and to serve us in Parliament as well. I would like to remind the member to keep in mind that workers would like to go back to work.

The issue before us is the process by which we would like workers to go back to work. Is it a process without honour and dignity or is it a process with honour, dignity, and with a heart on the part of this government? That is the question Canadians would like to have answered.

I suggest that if we force the workers back to work with a precondition it is almost like putting a bitter pill into a sick child, tying his hands, and gagging his mouth. That is not the way to have a child swallow the needed medicine. We have to do it with honour and respect. Likewise, we have to tell our workers that we are coming to them with a heart, that we really understand their needs. We will remove all preconditions, follow the decision of the Public Service Staff Relations Board, sit down and negotiate and appoint a mediator so that the workers can come back to work with dignity and will understand that they are valued in the Public Service.

My questions to the hon. member are these: Does he believe that the right to strike is a legal right of all Canadian citizens involved in work? What advice would he give the government so it bargains in good faith? Does he really believe in the rule of law, a law that has to be followed both by citizens and by government, particularly this government?

• (1230)

[*Translation*]

Mr. Denis Pronovost (Saint-Maurice): Mr. Speaker, I thank my colleague from Winnipeg North for these few remarks.

In particular, he asked me whether I recognized the legal right to strike in Canada. I was the president of my union as a journalist in Trois-Rivières, Mr. Speaker, and we had to live with an employees' strike that hurt not only the workers but also the company.

But coming back to the public sector, there is an important difference. Yes, I recognize the employees' legal right to strike. Nevertheless, Mr. Speaker, what concerns me about the hon. member for Winnipeg North, since he frequents the New Democratic Party members more and more, is that I think he tends unfortunately to consider the Public Service's right to strike as the supreme right that will overrule and override all other rights in Canada. That is the big problem in our society.

I did not mention it in my speech earlier, but we, especially in the Parliament of Canada, have this passion of talking about the rights of Canadian citizens, the right to strike or to do almost anything, the Charter of Rights and Freedoms that I do want to respect, but I think that all of these rights tend to make parliamentarians and Canadians forget, Mr. Speaker, that we also have re-

sponsibilities. Wherever we go, when we receive people lobbying MPs, in the two years since I was elected, Mr. Speaker, I do not remember having received a single group that came to tell me about the responsibilities that had to be faced and the difficult periods we had to go through. I do not remember seeing many like that.

On the other hand, groups have come to meet me to claim all kinds of rights, an endless list that you cannot imagine. All members of this House, be they on this side or the other, have received pressure groups telling us about their rights, regardless of the consequences for other citizens.

Mr. Speaker, I would call this the Canadian situation, this tendency we have here in Parliament only to see the rights of specific groups. I do not want to deal only with the Public Service today, but with all of them. When national organizations come to do their lobbying, they only care about their own problems, small or large. The problems of others are unimportant! They would impose on their neighbours to have their own rights recognized.

Our country is sick, Mr. Speaker, and I consider this legal right to strike in the Public Service to be one that can be exercised, but within proper limits, without imposing on other Canadians who also have rights. We all have responsibilities as well.

[*English*]

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I have a short comment with two very brief questions.

I note that the member discussed the saving that the government is making as a result of this strike. I believe he said something in the neighbourhood of 2 per cent per week.

Since the workers will be off for something just over two weeks, this will provide a bit of a sizeable saving, or extra funds. Was he inferring that this would mean that there would be some funds that could be available for negotiations, or does he view the government's policy as being zero increase for each and every individual? Does that zero increase only apply to the total budget?

If it does apply to the total budget, I am wondering whether we can still see some optimism for a settlement here.

My second question is a very brief one. I know he alluded to problems with grain movement. Was he aware of any grain movements through the seaway prior to the declaration of the strike? My information was that there was virtually nothing moving in that avenue from the prairies. It was pretty much plugged up, and because of the lack of sales it was not very likely to be unplugged.

[*Translation*]

Mr. Pronovost: Mr. Speaker, on the issue of grain movements, I think the hon. member from Saskatchewan could talk to farmers in his own area who are getting increasingly worried about what is going on with this strike. He is probably in a better position than I am to confirm this information. Every night, on the news, even on the French networks, we see Saskatchewan farmers greatly concerned about the attitude of the New Democratic members in this House who work in the higher interest of their Public Service union, instead of worrying about the state of the economy in Saskatchewan and all other provinces.

On the second issue, I would like to make myself clear, since I am not sure my colleague got my point. I clearly indicated that some members in this House wrongly claim this strike is making us happy, because we are saving some money. It is quite the opposite. The Government of Canada recognizes that the very small amount we can save with this strike is nothing compared to the enormous losses the Canadian economy is suffering.

Also, it is true the government is freezing wage increases at 0 per cent, even though I would have preferred to avoid any such freeze, but the government is imposing a freeze. According to the government's plan, there is zero increase. But the unions— Maybe you could talk to your friends in the civil service. These people are imposing a salary reduction of about 2 per cent of their member's annual pay for every week they strike. When this conflict is over, the federal government will have given 0 per cent to its employees and the Public Service Alliance will have imposed a salary reduction of around 4 per cent on its members, who it says are in dire financial straits.

Canadian men and women have to be told about that reality, Mr. Speaker. In my riding of Saint-Maurice, I know personally dozens of public servants who do not agree with the government's strategy because it hurts them, and I understand that, but they are even more angry with their union leaders who dragged them into a strike that hurts them even more, although they knew

full well that they could not win against a government that had stated its policy very clearly in the February Budget. After this strike, Public Service unions will have to deal with their members who are suffering needlessly.

Instead of sitting down with the government, Mr. Speaker, and trying to negotiate non-monetary clauses and perhaps gaining something in that respect, Public Service unions impose a salary reduction on their members and prevent them from getting anything at the moment, which I think is most unfortunate.

The Acting Speaker (Mr. DeBlois): Before resuming debate, I would like to suggest that members who wish to converse do so discreetly—I say this as a friendly suggestion—so that the Chair and our listeners can hear the speeches.

Resuming debate.

[*English*]

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it gives me extreme pleasure today to rise and talk about a topic that is very close and dear and near to me, an issue and an area that I dealt with on a regular basis in my work life before I became a member of Parliament. That is the area of collective bargaining and the area of collective rights for workers in Canada. I speak specifically about the union that I worked for in the railway industry before I became a member of Parliament, and that is the United Transportation Union.

I want to touch a little bit on that as I go along today and talk about this particular piece of legislation that is before us, and also about the need to understand what we are talking about here.

First of all, I would like to deal with the individual rights of workers and Canadians and to deal with it in two areas. One is the public sector versus the private sector, and the myth that seems to be being perpetuated on the other side that Public Service employees and those workers who work for the Public Service are different from the private sector employees who are out there, and who go on strike on a regular basis.

First of all, I want to talk about the fact that I believe, simply, that all workers in Canada should have rights. The problem that we are having here today is to define what those rights should be. On the one hand we have a government on this side which feels that because in the particular budget put forward by the then Minister of Finance in February, which outlined a particular program, therefore, the collective bargaining rights that Canadians have by law no longer are necessary or are no longer important because its agenda as a government should supersede that.

• (1240)

That, Mr. Speaker, is a big mistake to make. First of all, the collective bargaining right, the institution of organized labour, the institution of rights of Canadians will be there a lot longer than this particular government will, a lot longer than we as members of Parliament will be here, if we guard it very carefully and very sincerely.

The fear I have is that we are setting a very nasty precedent with this particular piece of legislation. Yes, strikes hurt. There is no doubt about that. That is what they are intended to do. If anybody on the other side can say to me: "You are allowed to go on strike only in good times; you are allowed to go on strike only when it does not hurt anybody else", then we have difficulty with understanding what the labour institution is all about and what the progress and process of collective bargaining and the need for that particular right of the individual worker is.

I get the sense, by listening to the members opposite, that they feel the only time an individual should have a right to strike is if it is not going to hurt anybody else. Well, if they sincerely believe that, then they should be straightforward and tell us as Canadians and workers that no one should be allowed to strike in this country because someone will be hurt.

One of the areas that has really interested me, as I mentioned in my question to the member for Ottawa West, is that the government has changed the rules of the game somewhat as it relates to back-to-work legislation. The great conciliator, the Prime Minister we have today, is well aware of the labour movement and collective bargaining. Unless he was the worst labour lawyer in the country, he should know that there is a particular

system in place that we have to follow in order to maintain the rule of law.

I want to again mention some of the different pieces of back-to-work legislation that came forward in the last 20 years. The reason I keep emphasizing these is because they also were a Draconian measure to a certain extent. I as a member believe that if you are going to say to Canadians and to workers that you have the right to strike, then tell them so. If you do not have the right to strike or there are certain areas of the economy that you cannot, as a government, accept allowing people to strike, then say so. That is what we call the services that are essential to all Canadians and we put those on the books to make sure those services will be maintained during these work stoppages.

The government, in a sneaky way, is saying to the Public Service that it, the Public Service, has no collective rights. It is also saying that the Public Service has no right to strike, because during the whole process of collective bargaining there is the ultimate. When you come to the end of the whole collective bargaining process, what is left? That is an arbitrator or a mediator. If they are suggesting with the back-to-work legislation that we have come to the end of the process of negotiation with no agreement, then we have to take a look at what the alternatives are.

The alternatives should always be maintained based on what we have done in the past. In the past, Mr. Speaker, based on the Maintenance of Railway Operations Act in 1966 it was back to work with an arbitrator, which meant that both sides would make their presentation to the arbitrator, and the arbitrator, an independent body, was a third party.

Can you imagine what it would be like if I was your employee, and I had to believe that you as a person, as a member of Parliament and as our Speaker, would be judge and jury every time I had a dispute. What we did to be fair to workers in this country and what governments put in the past was the ability to have an independent third party who does not have the ideology or the government's agenda at heart, but has the equal rights of everyone involved at heart. That is what arbitrators and mediators are for. That was in order the maintain the credibility of the system.

Mr. Speaker, what we have seen in the legislation before you today, is the complete erosion of the credibility of the system. Now, basically, this governments says: "It does not matter what you say or what you want, I am going to tell you what you are going to get".

In 1966 they understood there was a big problem in the country. A lot of people were being hurt because, as you know, in those days when railroads were in their prime, when they shut down the whole country shut down. Therefore, what took place was was back-to-work legislation but the government gave both sides the legitimate right to go in front of an independent third party to make their cases and let that person rule on it.

In 1972, under the St. Lawrence Ports Operations Act, the same situation took place. In 1973, again it was the same situation with a railway strike, with Judge Alan Gold being asked to arbitrate the dispute. With the West Coast Grain Handling Operations Act in 1974, Dr. Neil Perry of the University of Victoria was the conciliator. In 1975 the legislation called for an arbitrator if no resolution was found. In 1975, again under the St. Lawrence Ports Operations Act, Judge Alan Gold was asked. In 1976, under the Port of Halifax Operations Act, again there was a court magistrate who was appointed as mediator if no resolution was found. In 1977, the Air Traffic Control Service Continuation Act, there again was the ability for an arbitrator to look at whether this dispute could be resolved. In 1978 with the Postal Services Continuation Act the mediator was the then minister. In 1978, the Shipping Continuation Act, it was William Kelly, as every one knows, as in 1982, the West Coast Ports Operation Act, with William Kelly again.

I bring forward this issue because what we have seen with the present government is a change of how we deal with disputes in the Public Service. Basically that is what the government has done, and it really interests me that it has done it. In 1966 when the government of the day, the Liberal Party, gave the Public Service the right to strike, the Progressive Conservative Party, which now governs this country, voted in favour of that. It meant at that time in 1966, when Mr. Diefenbaker was still the leader, they felt very strongly that yes, there was a right for workers in the public sector to pull their services if they felt they were being treated unjustly.

To go further with that theme, we now have something that is even worse and that is the belief by not only the workers but the decision and the belief by the Public Service Staff Relations Board that indeed this particular government has not been negotiating in good faith. I do not know if members on the other side realize how worrisome it can be to believe that even before you start the other side has no intention of coming to an agree-

ment. Then again we look at the complete dismantling of the institution of collective bargaining. When we look at that very seriously, we have in essence what we have seen in other countries in the world: complete chaos where we cannot maintain the rule of law because workers have lost complete faith in their governments. We may sit here and say that it would never happen in Canada because we are too democratic and we do things that are just and fair. We know the difference between right and wrong. My leader spoke very eloquently about the difference between right and wrong. When we get the Public Service Staff Relations Board telling us that what the government is doing in dealing with its own civil servants, its own employees, is wrong, then we all have fears and we should all be very fearful of what is to take place next.

It does not surprise me one little bit that the president of the alliance would come out publicly and say: "We may just ignore the law." The reason for that is simply: "If you can ignore the law, as the Parliament of Canada has done under section 51, then why should I honour the law?" That is a very serious situation to be taking place in our country. Once we let ourselves, as members of Parliament, agree that breaking the law is acceptable, whether it be under section 51 or whether it be a president of a union saying: "Well, it doesn't matter because we may just continue this anyway", we are really leading toward what we have seen in other countries and that is a complete dismantling of the institutions that we have put in place to have what is aptly put, good government.

I think I should read into the record what the Public Service Staff Relations Board ruling states. First of all, the Public Service Staff Relations Board ruled in line with decisions, and this is not new. They ruled in line with the decisions by the Ontario Labour Relations Board and the British Columbia Court of Appeal, which held that to insist on preconditions before bargaining for a collective agreement is contrary to the requirement to bargain in good faith. Here is exactly what they said in that ruling:

> The insistence on conditions precedent to negotiating terms and conditions of employment at the bargaining table is incompatible with the requirement to make every reasonable effort to negotiate a collective agreement. Accordingly, the board declares that the employer has acted contrary to Section 51 of the act and orders the employer to comply with Section 51 of the act.

• (1250)

Well, that is pretty obvious and pretty clear. Other institutions, other provincial jurisdictions, other governments and other areas that we deal with on a regular basis, have already ruled that you cannot put preconditions. Therefore, what this is telling us is that the budget is basically a plan. The Minister of Finance puts down a budget and it is a road map to where the government is going to go. It does not mean that it is etched in stone. As one knows, the government very rarely meets its objective. It is an attempt to try and get where it wants to go.

For the minister of the Treasury Board to stand up in this place and tell us: "We told you in February that this is what we were going to do, so we have no choice but to do it" is nonsense. The fact remains, in this system we have set up, you have go to the table with the sense that we are here to look at the issues and we are here to negotiate.

Let me remind the Prime Minister, since he has probably forgotten this. I am aware that he has shut a few towns down in his day. The Prime Minister has to understand that negotiation is the art of compromise. It means that you do not get exactly what you want and I do not get exactly what I want when I go to the table. But we get what is best for both sides.

It is not right to sit here and tell anyone who has ever been involved in the labour movement: "You are going to get this whether you like it or not. Do not bother to tell me how you feel, inflation is running at 6 per cent. I do not really care. That is what you are going to get". What one is looking to find are some severe problems in the labour movement.

I was talking to my colleague about an hour ago about this particular issue. One of the things that is well known in public life is the moment you lose the faith of the civil servants, one is really in for big trouble, simply because those are the unelected people who put in place the policies of a particular government.

Simply, what it has said to the Public Service is: "You have no rights. You have no voice." Under collective bargaining, that is the only voice it has to show its employer that it disapproves of certain issues. If that is taken away, then it has to expect to get it from a different arena.

I really pity the government for what is going to take place in the next year and a half once this legislation goes through. I also must say that I expect on this side that people will be very excited to see all of these brown envelopes show up at their door on a regular basis, because now the credibility of the government has been completely undermined. I am sure the Public Service will start to undermine every move the cabinet and this government makes because they have done the same to them.

And as we know, all is fair in love and war. Therefore, what the government has declared on the labour movement and the Public Service is war. Now it will be seen in a lot of different forms. I believe the government should be put on notice that that is exactly what it has done with this kind of legislation that does not follow the rule of law.

I want to talk briefly about the back-to-work legislation. One of the things we cannot fool ourselves about is that this is a complete suspension of collective rights. Let us not kid ourselves that this is a plan of the Tory government just to allow wage restrictions for a certain period of time. Looking at the legislation, it also has the ability to reclassify the Public Service. It claims it is just following out its mandate under PS 2000 and will continue to do that. It uses the equity that we have been working on for many, many years now, as it relates to women, as the argument in order to reclassify if it wishes. I think that is a pretty scary indication of just where this government is prepared to go.

The other issue is the back-to-work legislation. It does not deal with the contracting out situation that we are now facing in the government. If we follow what is being told to us by many, that contracting out is now at the level of $5 billion, it seems quite unfair and wrong to think that on the one hand it is okay to allow the contracting out to continue unrestricted.

Regarding the minister, who is the only minister from Ottawa, I can understand why he would be here squirming in his seat considering what this may do to his career. I would think that he may look at the minister who was then, in 1966, pushing forward the legislation in the belief that public employees have the right to strike. It was the member from Ottawa or the member from Carleton, if I am not mistaken, and before they were thrown out of office, he was the minister responsible for the Treasury Board in the Diefenbaker government. I can understand why the minister across the way would be a little nervous.

I want to wrap up by saying this. The labour relations in this country are a very, very sensitive thing. In order for a government to be successful, two things have to happen. One is that you need to have understanding of what workers are looking for and they have to understand what you want. Second, you need to have what is most appropriate, the faith in your government that it will do the right thing.

I think that the partnership between government, labour and business has been broken and therefore we will see the complete dismantling of the rule of law under this particular piece of legislation. I think anyone of sound mind and body would have no choice but to vote against this.

Mr. Larry Schneider (Regina—Wascana): Mr. Speaker, I regret the complexity of the name of the constituency, but it has a local significance.

I appreciate the opportunity to ask my hon. colleague a question, but first of all to make a comment or two. Initially I sat and listened this morning to the amendment that was made and, while I have had some previous experience in another jurisdiction consisting of some nine years and therefore it gives me some degree of expertise in parliamentary procedure, I know of no other jurisdiction that will allow an amendment that completely contravenes the intent of the original motion. I look across the way at a former municipal colleague who I know would agree with me that it makes absolutely no sense that if you disagree with a motion all you have to do is vote against it, but there seems to be some purpose in restating, re-inventing the wheel. I sit there and I listen with amusement and I hope that some day it takes us somewhere.

The hon. member opposite alluded to several issues that give a particular bent to the matter before us that I do not happen to agree with. I agree fully that this is a situation that no one takes any great deal of pride in. It is not a situation in which government members sit here with glee and delight in knowing that they are going to

have to interfere with a process that we would like not to interfere in.

The hon. member makes reference to the elimination of collective bargaining. I would suggest to him that there is not a political party in Canada that has not found itself in the same position and regretfully caused itself to legislate people back to work. I can say that having lived in Saskatchewan and having seen the NDP government of 1982 having to do exactly the same thing, not with the Public Service, but I believe it was, at that time, with the nurses.

I sit here and I listen to that knowing that everyone here, without exception, has had experience in the unpleasant task that we have at hand and I wonder where there could be such a defence against having developed the need to become involved in this insatiable requirement that is placed before us.

I would like to ask the hon. member a couple of questions. He indicated that he felt there was no difference between the government and the private sector. I suggest to him, for a minute, that perhaps there is some difference in that the government sector provides a service that the public demands on an ongoing basis 52 weeks a year. I would suggest that in the private sector that is not the case.

From time to time, there were certain members of the private sector losing their jobs for periods of time through lay-offs and so on, not to the same—

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but, inevitably, time marches on.

[*English*]

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

The House took recess at 1.01 p.m.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

FISHERIES

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, thousands of Newfoundland fishermen and plant workers are facing the worst crisis they have faced for decades. For months they were unable to fish because of severe ice conditions. When many of them did get out they found there were no fish to catch. Fishermen were losing more with every trip they took.

With the fishing season for many coming to a close one simple and tragic fact is clear: thousands of Newfoundlanders are facing a very bleak winter.

I am calling on the Minister of Fisheries and Oceans to put in place a disaster relief program which will ensure that the close to 8,000 inshore fishermen who will not qualify for UI are not forced out of the fishery or on to the welfare roles of the poorest province in Canada.

The government cannot claim to have been unaware of this problem. In an internal DFO memo dated June 28, 1990, the minister was advised that the current fisheries failure may appear unprecedented, but it is probable that failures of similar magnitude could occur in the future in this or other fisheries.

There is no excuse for delay. It is time to act.

* * *

DISABLED PERSONS

Mrs. Dorothy Dobbie (Winnipeg South): Mr. Speaker, in Winnipeg on September 5, the Prime Minister and the Secretary of State announced a $158 million program, a strategy to help people with disabilities integrate into the mainstream of Canadian life. As the Prime Minister commented, what every disabled persons wants most is simply to be recognized as an individual.

It was with this understanding that the National Strategy for the Integration of Persons with Disability has been designed. The program stresses partnership between disabled persons and the community, partnerships that can overcome barriers of attitudes and of space and access that prevent disabled people from achieving their full potential.

The key word is "access" to places, to employment, to opportunity. Canadians must tear down the barriers both mental and physical and make this integration program the success that it can be.

* * *

YUGOSLAVIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, this morning in The Hague Lord Carrington announced that a new Yugoslavian ceasefire had been successfully brokered. At the same time the armed conflict is escalating. All parties are on the offensive. Warships are on the move. Ports are being shelled. There is even a danger that neighbouring countries may get involved.

While lives are being lost and successive ceasefires fail, my colleagues and I are being petitioned from all sides to work toward an end to the conflict. There is much to be discussed if all the people of Yugoslavia are to settle their differences and live in peace, but it is critical that the temperature of the conflict be lowered first.

While the EC and CSCE as vehicles for settling this dispute appear to be having little success, third party intervention by UN peacekeeping forces has proven successful in the past. Canada has an opportunity to show leadership on the international stage.

When will the government realize that Canada must work on a most urgent basis to support the ceasefire? We must support the request by the presidents of both Yugoslavia and Croatia for UN peacekeepers. Lives are being lost while we wait.

* * *

[*Translation*]

NATIONAL STRATEGY FOR THE INTEGRATION OF PERSONS WITH DISABILITIES

Mr. Vincent Della Noce (Laval-Est): Mr. Speaker, persons with a disability see every day as another challenge. They are constantly up against obstacles that put them at a disadvantage when seeking employment and advancement, education and training and equal access and participation. In other words, they cannot lead normal lives. Active co-operation by federal departments with Canadian communities is helping to eliminate these obstacles.

The National Strategy for the Integration of Persons with a Disability, announced by the Prime Minister on September 6 in Winnipeg and by the Secretary of State on September 9 in Montreal, would not succeed without the partnership that exists between provincial, territorial and municipal governments.

Of course, we must not forget volunteer groups, the business community, the media, unions and disabled persons and the organizations they represent. These partnerships already exist and are growing daily.

Mr. Speaker, it is up to each and eveyryone of us to support these partnerships and to urge all Canadians to help implement this admirable strategy.

* * *

[*English*]

PUBLIC SERVICE

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, the tactics this unpopular government is using against its own employees are unconscienable. It brings in devious pay increases for the upper echelon of the Public Service and Crown corporations. It introduces wage controls on lower level public servants. It ignores the collective bargaining process. Promises have been broken with respect to pay equity. Untruths have been told about contracting out. All this is done in the hope that Canadians will become hostile to the strikers.

The government is in effect saying to all employers in Canada that it is okay to throw away the right to bargain and to hold over the heads of workers the threats of job losses and contracting out.

We have a government that is politically opportunistic, with no respect for the citizens of this country. It is not too late for this government to negotiate a fair solution that will put the Public Service back on its feet while generating a spirit of good will for the future.

* * *

IMMIGRATION

Ms. Barbara Greene (Don Valley North): Mr. Speaker, as a member of Parliament I am constantly confronted by mothers, fathers and children whose basic human rights are being violated. They are deprived of security of person, of physical and mental health and are subject to cruel, inhuman and degrading treatment because their

families are separated, frequently for as much as six years.

I urge the minister of immigration to issue minister's permits for spouses and dependent children of persons who have been determined to be convention refugees and allow families to be reunited in Canada for inland processing as is done in the United States.

Let us cut bureaucratic processing time and cost, reduce health and welfare costs, and help families who will be Canadian citizens.

* * *

PARLIAMENT

Mrs. Diane Marleau (Sudbury): Mr. Speaker, yesterday in this House the hon. government House leader, in making reference to a letter which he received, asked: "Why do we have this archaic practice of having first reading, second reading, third reading, for pieces of legislation?"

This government has proven itself capable of, in just a few years, dismantling a parliamentary system which took centuries to develop. It has steamrolled over our institutions of democracy to enact a Draconian legislative agenda which Canadians do not support, and now the minister says: "Why do we need to have all of these stages of debate in the House of Commons?" Perhaps next he will ask: "Why do we need to have the House of Commons at all?"

It seems that the government has realized that at 14 per cent in the polls the only way that it can hold on to its power is to do away with democracy and rule Canada by a dictatorship. At least one good thing might come out of it: We would not need the government House leader any more, now would we?

* * *

YUGOSLAVIA

Mr. Bob Horner (Mississauga West): Mr. Speaker, self-determination is being increasingly established as the right of people in every corner of our changing world. We have seen citizens of east European countries and the Baltic states of Latvia, Lithuania and Estonia being granted a voice in the determination of their political futures. Unfortunately, this is not the case for the people of Croatia and Slovenia who voted 95 per cent in favour of independence.

Today, His Excellency Yves Fortier, Canada's Ambassador to the United States, has stated that on the instructions of the Prime Minister of Canada he will explore with the United Nations Security Council the possibility of establishing a UN peacekeeping force in Yugoslavia.

I know that every member of this House will join with me in supporting a role for Canada as an integral part of any effort to help put an end to the bloodshed in Yugoslavia.

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[*Translation*]

MONTREAL'S ECONOMY

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on March 15 this year, I rose in the House to discuss the economy in the Montreal area, and I recalled the passionate words spoken by Jean Marchand who always pointed to Montreal as the economic heartland of Quebec.

On Tuesday, June 4, 1991, the caucus I represent launched a one-day debate in this House on the economy in the Montreal area.

Since that time, not a single government initiative. The responsible minister prefers to ignore a situation that has become catastrophic.

On behalf of all Quebecers and the people of Montreal, I ask and beg the Prime Minister of Canada not to listen to me or to us, but to read this morning's impressive article in the *Journal de Montréal* by Jean-Philippe Décarie, and a number of reports by that excellent journalist, Michel C. Auger. If he does, I am sure he will get rid of the minister responsible for Montreal and let him take on lesser responsibilities. I am sure he has a number of members who would be able to do the job, and I am thinking of Hogue, Tétreault, Della Noce, Gibeau and others. They will have no trouble doing a better job than the minister because, Mr. Speaker, the situation in Montreal has reached catastrophic proportions. I hope the minister is replaced by one of the members I just mentioned.

• (1410)

[*English*]

DEBRIS CONTROL PROGRAM

Mr. Stan Wilbee (Delta): Mr. Speaker, we are all concerned about our environment.

For 10 years there has been a very successful program for controlling debris on the Fraser River, the port of Vancouver and Howe Sound. It is the Fraser River debris program. It has been jointly funded by the federal and provincial government as well as the forest industry.

In spite of the large expenditures made for the clean-up of the Fraser River in the green plan, the debris control program appears about to be discontinued. This would be contrary to any common sense as the debris control program resolves one of the major causes of pollution in the Fraser Basin and on the south coast.

The expenditure on debris control is minimal compared to damage to the marine, fishing, tourism and recreational activities. I would plead with all the departments involved to continue their full support for this essential program.

* * *

BRYAN ADAMS

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, Canada's biggest rock star, Vancouver's very own Bryan Adams has been told by Canada's federal broadcast regulator that his newly released songs are un-Canadian.

All songs on Adams' new album *Waking Up the Neighbours* have been denied Canadian content status and are subject to restriction on all FM radio stations.

At the same time songs by British rocker *Tonight's the Night* Rod Stewart and U.S. blues singer Bonnie Raitt are considered Canadian and allowed unlimited play.

This ruling is an insult to a quintessentially Canadian performer who has received both the Order of Canada and the Order of British Columbia for his work.

Something is clearly wrong with the CRTC grading system on Canadian content when artists like Adams are denied Canadian status.

I call upon the CRTC to revise its evaluation procedures and amend this outrageous ruling. It is an insult to Adams and to all other Canadian performing artists.

Come on, CRTC. Get with it, eh?

* * *

CANADA POST

Mr. Garth Turner (Halton—Peel): Mr. Speaker, many of my constituents are concerned about the actions of Canada Post, especially when it comes to meaning the closure of a rural post office such as in Halton, Ontario.

Some people think the member of Parliament should directly interfere in the business operations of Canada Post, but there has to be a better way.

I call on the government to accept the advice of the House of Commons consumer and corporate affairs committee and privatize Canada Post; then set up an independent regulatory agency with decision-making powers something along the lines of the CRTC.

That way, clients of Canada Post and communities affected by it would have a way of appealing decisions made by the corporation. We would have something that is lacking today. We would have accountability.

* * *

YUGOSLAVIA

Mr. Alex Kindy (Calgary Northeast): Mr. Speaker, I would like to quote from a letter I wrote to the Prime Minister on August 27 on the situation in Yugoslavia:

> We are witnessing the most intensive fighting yet in Yugoslavia's undeclared civil war.
>
> The Yugoslavian army, controlled by the communist Serbian government, continues to ignore the Yugoslavian presidency under Stepe Mesic and attack the Croatian National Guard under the duly elected Government of Croatia.
>
> At this time of crisis, I urge you to recognize the independent republics of Croatia and Slovenia, and to immediately ask that all Yugoslavian troops be withdrawn from Croatian territory in an effort to help curb the further escalation of the conflict.

Canada's support of the independence of Croatia and Slovenia would be viewed as our meaningful commitment to freedom and democracy.

* * *

[*Translation*]

LEADER OF THE OPPOSITION

Mr. Jean-Luc Joncas (Matapédia—Matane): Mr. Speaker, last Sunday evening, Mr. Chrétien stated, in response to questions from the press on constitutional issues, and I quote: "What the people of the Gaspesian Peninsula want is to get their UI cheques. They do not care whether they come from Quebec or Ottawa."

All the men and women who live in that region were shocked to hear such a thing. They will never tolerate that such a value judgement be made about their community. Contemptuous statements such as this give away the ignorance of their author concerning the history of this wonderful region and its people. The Gaspesian workers are proud, courageous and hard-working people. As a matter of fact, is it not a fact that they are one of the most valued workforce in the whole of Canada? Mr. Speaker, these people want to develop their part of the country to halt the exodus of its citizens. They want to work, not to sit and wait for their UI cheques as Mr. Chrétien would like us to believe.

Mr. Speaker, I call upon all Gaspesian men and women to let the Leader of the Opposition know in no uncertain terms that they absolutely find such comments unacceptable. Mr. Chrétien, the people of the Gaspesian Peninsula have heard you and they will remember it in due time.

* * *

MONTREAL'S ECONOMY

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, we learned yesterday of the closure of the Canadian Pacific Angus Shops, in the east end of Montreal. Nine hundred jobs will be lost, on top of the many jobs that have already been lost in the rail and air transportation industry in Montreal. This situation is unacceptable.

What is also inadmissible for Montreal is the inaction of the Minister of Transport the very minister who unfortunately is responsible for the Montreal area. The Chamber of Commerce of Montreal denounced this minister who refused to meet with them. Mr. Speaker, this government has lost its credibility and this minister proved to be incompetent a long time ago. Montreal deserves better that this bunch of politicians without a vision that make up this government.

My party support the sovereignty option for Quebec. As its mayor stated before the Bélanger-Campeau Commission, Montreal needs a national Quebec policy to promote its development. A sovereign Quebec would have the added advantage of not imposing upon the rest of Canada—

Mr. Speaker: I am sorry to interrupt the hon. member but his time is up.

ORAL QUESTION PERIOD

[*Translation*]

MONTREAL'S ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask the Right Hon. Prime Minister a question. A few years ago, as you drove into Montreal, you saw signs with a very appropriate slogan proclaiming Montreal a city with pride. Today, Montreal is a city with unemployment. After Air Canada and Canadian Airlines, now 950 jobs are being lost at the CPR's Angus Shops in Montreal. What a fine way, Mr. Speaker, to celebrate the 350th anniversary of the city. So I ask the Prime Minister what he intends to do to deal with the absolutely disastrous economic situation in Montreal and to find jobs in a city with over 20 per cent unemployment.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I would tell the Leader of the Opposition that this government has promoted the economy of Montreal as it has promoted the economy of the country by taking very specific action to prepare people to hold high-tech jobs. I would tell the Leader of the Opposition that over the years, we passed Bill C-22 for the pharmaceutical industry, we helped Canadair, we helped Pratt & Whitney, we set up the Space Agency and the headquarters of the international environmental agency in Montreal. We did those things, Mr. Speaker. Since 1984, we created 83,000 net jobs on the island of Montreal, while in the previous four years, the Liberal Party presided over the net loss of 4,000 jobs.

[*English*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

When the government said the recession is over, we have to wonder what they are putting in the water cooler in the cabinet room. It seems that everything that the government touches these days turns to a disaster. I am almost afraid to ask it to try to do something about the economy, but there is the reality that there is 1.5 million Canadians who are looking for work today.

• (1420)

I would like to ask the Prime Minister what he intends to do to find jobs for these Canadians who want to work. You do not have to force them to work; they want to work.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. Leader of the Opposition knows very well that positive growth was recorded in the second quarter of this year, 4.9 per cent at an annualized rate. The domestic demand went up by 6.9 per cent. Exports were up by 22 per cent. The merchandise trade balance is up to $12 billion. Labour income is up 5.7 per cent. Corporate profits are up by 40 per cent, and personal disposable income is up by 6.3 per cent.

The recovery began one-quarter earlier than we had anticipated. It is important to get the fundamentals right. It is important to ensure that we nip the inflationary psychology in the bud, and we have done that. We are on the road to sustainable growth and sustainable recovery with price stability. That is our goal and that should be the goal of the Leader of the Opposition as well.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, when you drop the economy you create a recession yourself, and after that it is trying to improve a little bit. You are far away from where you should be at this time.

Go to Atlantic Canada today and talk to the fishermen who will not even have the right to receive their unemployment insurance. Go to Quebec and Ontario where there are hundreds of thousands of people who have lost their jobs in the manufacturing sectors. Go back to your own provinces in the west and ask the farmers what they think of the policies of this government.

It is not statistics that we want. We want concern for the people. When will the Minister of Finance do something to create jobs for Canadians?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I know the Leader of the Opposition would be disappointed if we did not follow Liberal economic policy.

The reason that we do not follow Liberal economic policy is the fact that ten years ago today the unemployment in this country was 12.8 per cent, and today it is 10.6 per cent. Ten years ago today, following Liberal economic policies, the inflation rate was 12.9 per cent. Today, it is 5.8 per cent. Ten years ago today the prime interest rate was 22.75 per cent. Today, it is 9.5 per cent.

No, we will not follow Liberal economic policies.

* * *

PUBLIC SERVICE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, a government that stands in the House and brags about double digit unemployment is a government that has lost touch with the people. Why don't you go to the people and ask them what they think?

My question is for the Prime Minister. In his first speech those many years ago, the Prime Minister said: "Another component of industrial progress has to be a major commitment to civilized labour relations in this nation. You do not learn about this program in the PMO. You learn about it from those who have grown up in the area and understand the problems of living, breathing people, those who have worked out problems and have a track record to deal with, not governments that unilaterally bring in legislation"—

Mr. Speaker: I would ask the hon. member to put her question.

Ms. Copps: Mr. Speaker, I am getting to the question. I want to ask the Prime Minister why—and I quoted that he did not believe in governments that unilaterally bring

in legislation to abuse collective agreements—does he do today what he found so offensive in 1983?

Right Hon. Brian Mulroney (Prime Minister): But, Mr. Speaker, I just wanted to rise to tell my hon. friend indeed that was a fine speech that I gave back in 1983. In fact, if my hon. friend cares to look at it, the statistics will clearly indicate that labour relations in Canada have been civilized in large measure over the last seven or eight years.

The NDP laughs. They should be talking to the NDP government in Ontario. There is a serious strike going on in Toronto. In point of fact, there are 3 million people—

Some hon. members: Oh, oh.

Mr. Speaker: The right hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, we have reduced very considerably the number of days lost in the Public Service and in Canada over the last seven years.

From time to time we all encounter difficult circumstances; the country is encountering a difficult circumstance now. The economic recovery is in train. It appears to be broadly based, but it remains fragile. All elements of the economy including the Public Service and the private sector have been asked and will be asked to do their very best to make a contribution to making sure that this economic recovery remains durable so that all Canadians, including public servants can benefit from a strong economic recovery in Canada.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the government's lowest paid clerks, those people who really need our help, make $16,500. A month before this Draconian legislation was brought in, that minister and that Prime Minister got a deal which will increase their compensation by $11,413 respectively.

If the government's program is so fair, why did the Prime Minister get an increase that is ten times higher than that of the lowest paid civil servants across this land?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I think the hon. member has her numbers wrong.

Some hon. members: Again.

Mr. Loiselle: She mixes apples and oranges. If you want to look at the Public Service in the same way, in the newspaper last week you could see that the travel budget of public servants for last year was $500 million. Should you put that in their pay? It has nothing to do with it.

The increase to members of Parliament was 3.7 per cent and to PSAC members was 4.8 per cent.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

This morning the government responded to the Public Service Staff Relations Board ruling that this government had been bargaining in bad faith, with the statement that it will go back to the negotiating table.

Some hon. members: Oh, oh.

Ms. McLaughlin: I suggest that the government read the ruling. The statement of the minister this morning was that the government would go back to the table with no preconditions.

It is interesting that the Minister of Finance said in his response to an earlier question that labour income in this country has gone up 5.7 per cent. He was citing this as an indication that the recession is over. For public servants this government is offering them zero per cent. The recession is not over for them.

The minister said this morning that he will go back to the negotiating table with no preconditions. Can the Prime Minister confirm that that is his government's position, that he will do that, and that his government will bargain in good faith with workers now with no preconditions?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I hope that the hon. leader of the NDP understands that the situation for these employees is difficult enough without making it a charade. It is not true that we have offered to go back without preconditions. We have always been ready to negotiate with the Public Service Alliance, as we have with others.

She will remember that it is Mr. Bean after the budget who said: "This is going to be a political strike. We want to go after this government". We sat with him for 90 days and we tried to make a deal on all of these issues that are of concern to her and to us, and he would not move.

The Public Service Staff Relations Board stated what we should have done according to section 51: not bargained. We have bargained. It is not that we did that in bad faith, not at all.

• (1430)

They said that the board concluded that the preconditions were incompatible with the requirements to make every reasonable effort. I said that I was surprised, because we have made efforts and we are prepared to continue with those efforts. That is what I said this morning. We are prepared to sit with the union and negotiate without preconditions, but I will say that the zero, three and three is still a firm commitment.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is clear that there is a double message to the workers of this country. The minister has made a clear statement that he would negotiate without preconditions.

[*Translation*]

Further to the Minister's comments on negotiations with the Alliance, is the Minister now prepared to withdraw the government's challenge of the Canadian Human Rights Commission's decision on pay equity for Canadian women and for the Alliance?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, if you allow me, the government is going to court only to obtain a formal opinion on the interpretation of a clause.

Parliament passed a pay equity law, we respect it and we are in fact the first government to set aside a sum of money, $317 million, and to set aside $80 million a year to help women achieve equal pay.

Now we disagree with the tribunal on an interpretation which we think goes beyond the law. We are prepared to comply with the court's decision, but we are asking for its opinion. That is all, nothing else. We are ready to act on equal pay; we have shown it more than any other government.

[*English*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I did not think that in order to implement the law you had to wait for a court decision. If the law is pay equity, implement pay equity. It seems to me that is the simple thing to do.

The government has talked about negotiation but the back-to-work bill remains under discussion today. I want to ask a question of the Secretary of State for External Affairs, who has recently returned from a trip abroad where she spoke in Ukraine about Canada's good international record on democracy and on democratic rights and freedoms.

I would point out to the minister that the legislation put forward by this government, this back-to-work legislation, is once again legislation that is in direct violation of the United Nations Labour Convention No. 87, which guarantees freedom of association and which Canada has signed.

How can the Secretary of State for External Affairs justify making such comments outside the country and yet support her government in such legislation which contravenes the rights of workers within this country?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, in the case of the Liberals I have some hope because they will have a convention, I believe, in November to start knowing what they think.

Six governments in Canada have imposed pay freezes. Liberal governments have legislated them. We have tried to negotiate them. We have sat with the unions to try to improve the package because there are a lot of other things in a collective agreement besides salaries. I may say to the hon. member that indeed we are continuing this. I have instructed my officials to inform Mr. Bean that we are prepared to sit and discuss these things with him. I am happy to inform her that indeed we are presently moving in the right direction.

* * *

TRUCKING INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Transport.

As we speak, another major blockade by Canadian truckers of the Ambassador Bridge is currently under way in Windsor, Ontario, in direct and justified response to this government's complete inaction toward the trucking industry.

I ask the minister: How many more studies, protests and blockades need to occur before the government changes the existing rules and regulations which now place Canadian truckers at a severe disadvantage to their

counterparts in the United States? Do you care about protecting Canadian jobs or not?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, I am sure the hon. member opposite knows very well that a task force on trucking has been at work for many months and has come to some conclusions as a result of a number of meetings.

We have met with the truckers, although the vast majority of the trucking problem rests with the provincial legislatures because they are the ones that are crucifying trucking with their very high cost on fuel. This is where the problems rest mainly.

Nevertheless, we have met with the truckers who want to speak, not with the truckers who are trying to do same thing that some people have tried to do with PSAC and turn this into a fight against the government. We are working with the truckers who want to work toward a proper solution.

Mr. Sergio Marchi (York West): Mr. Speaker, Canadians do not want to fight the government but they want to fight to protect their jobs. There is nothing wrong with doing that when a government is blind and insensitive to their pleas.

I return to the Minister of Transport. After a year and a half of promises, why has the government failed to respond tangibly to this crisis? How can it possibly sit back while Canadian truckers' families are losing their livelihood, their jobs, their savings, their homes and finally their dignity? Doesn't this government care?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member is evidently not trying to work to improve the lot of the workers. He is trying to make political gains out of that. He should know by now that the studies that were commended by the task force on trucking issues have determined very precisely that the federal government taxation system has nothing to do with the problems of the truckers.

Their problems are in the provincial legislatures where the taxation on fuels is enormous, whilst at the federal level our excise tax on diesel fuel that is used by the truckers is less than in the U.S. Our excise fuel tax in Canada is 4 cents per litre. In the U.S. it is 6.2 cents per litre.

FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the 1991 fishing industry along the northeast coast of Newfoundland and Labrador will be recorded as disastrous, potentially the worst in memory.

My question is for the Minister of Fisheries and Oceans. When can we expect an implementation of an aid package that will address this depressing and devastating situation?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, as I answered yesterday, the government well knows that we have had a very poor fishery along the northeast coast of Newfoundland and Labrador this year.

The government instituted an aid program last June and paid compensation to fishermen who were prevented from fishing by ice from May 15 to when the last of them received assistance in August. We are now considering and deciding with the provincial government and after a consultation with the industry and the union what further steps may be needed to assist fishermen and plant workers who will not be able to even secure their qualifications for UI this year.

This matter is under very active consideration. If we act as generously as we did with respect to ice compensation, then the hon. gentleman need have no fears about the assistance that will be forthcoming.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, this aid package that is going to be produced when the government is ready may have been okay for years past when the fishing industry was in trouble, but right now, when we are looking at less than 50 per cent and in some cases in various ridings 10 per cent and 5 per cent of the ordinary catch, I would suggest that these are not ordinary conditions for fishermen and plant workers who are having their incomes wiped out and not enough work to qualify for unemployment insurance. Therefore it requires emergency and extraordinary measures.

Why will the minister not give urgency to this pressing matter and come to the rescue of those in dire need, not next month, not next week, but now?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, we are now in the middle of September and the fishing season is not yet over. Fish are still being caught. We are contacting every community and every fish plant along the northeast coast and Labrador to see exactly what the situation is, what the accurate, factual situation is.

• (1440)

We know of course that in places like Labrador it is an absolute disaster and that in areas like Black Tickle they hardly caught a dozen fish this year where they caught thousands of tonnes last year and the previous year. There are certain areas which will have to be assisted, and they will be.

We are not ready yet to announce any plan. We are talking to the provincial government which also has a heavy responsibility here and there will be an announcement in due course.

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TRUCKING INDUSTRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, protests across this country are mounting and spreading against this government. In Windsor and elsewhere in Ontario hundreds of truckers are blocking border crossings. They are blocking highways. They are doing so to support PSAC and to call for the resignation of this Prime Minister.

The Minister of Transport promised short-term help to truckers in July. Why has the Minister of Transport not come through with this help? Why has the Minister of Transport ignored the precarious economic situation, the grave difficulties of many Canadians across this country? Why has he not given these people the short-term help he promised in July?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member should know that this government has given not only short-term help to the truckers but very long-term help. By introducing the GST we have reduced taxation bill of the trucking industry by $400 million a year.

Some hon. members: Hear, hear.

Mr. Corbeil: In addition to that, truckers who are not blockading to support PSAC or any other political motive have sat down with us on numerous occasions to try to iron out their temporary problems.

We have worked out some solutions with them. We have indicated to them again that the main focus of their problem is in the provincial legislatures, but we are also working with them on temporary solutions. We are doing that very remarkably, to the satisfaction of the truckers, the shippers, and the owner-operators. However, those who are blockading because they want to achieve some political motives are not serving the trucking business.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary question is for the Minister of Transport.

I want to remind the minister that it was his government that deregulated the trucking industry in this country, thereby setting the scene for the crisis we are in today in that industry.

The minister clearly promised in July some interim assistance separate from the impacts of the GST. What the truckers want to know is when they are going to find out what that assistance is so that they can get on with their lives, move goods on behalf of Canadians and keep the economy rolling.

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the truckers know very well what we are offering. We have sat down with them on numerous occasions. We are working toward a solution and the truckers are very happy, but they have come to realize through the process again that the main thrust of their problems is in the provincial legislatures.

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[*Translation*]

MONTREAL'S ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is for the Minister of Transport, who is responsible for the region of Montreal. The unemployment rate is above 35 per cent in Montreal-East. We lost thousands of jobs in refineries, at Canadian Steel Foundries, Vickers, Air Canada, Angus, Nationair, in textiles, and the list is too long to mention them all here, Mr. Speaker. When will the minister finally convince his

colleagues of the Conservative Party to find a solution to the economic stagnation in Montreal?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, how can the member for Saint-Léonard speak of the closing of refineries when we all know that it is his party's abominable national energy policy which caused problems to the oil industry and is responsible for the state in which it is today?

Mr. Speaker, this government, since it came to power seven years ago, has created 81,000 jobs. The previous government, in the four prior years, "created" a net loss of 4,000 jobs. I believe we have no lesson to learn from people who devastated Montreal's economy and who caused so much damage to the country's economy that we have no other choice today but to take measures to redress it.

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, as minister responsible for the economy of Montreal, this minister ought to know that Montreal used to come first for transport and high technology. Now, all major industries are dying out.

Is the minister planning to make another Schefferville out of Montreal? Will he stop referring to the 50s and start proposing once and for all a recovery policy for Montreal?

Jean Corbeil (Minister of Transport): Mr. Speaker, I think that what must be listed here is the number of initiatives that we have taken precisely to ensure that in the years to come, workers in Montreal, men and women, will continue to hold high technology jobs.

I will only mention the $65 million National Defence contract that we have been giving to the Canadian Arsenals since 1988, the contracts for almost $200 million that Spar Aerospace Ltd has received for the Canadian Space Agency, and the $86 million contract that we have given to Bombardier for the maintenance of CF-18s. We have invested $1.5 millions in the Technology Centre and $40 millions in Islands Park. We have contributed $43 millions to Canadair to modernize its regional jet. All those are high technology jobs.

Mr. Paul Martin (LaSalle-Émard): Mr. Speaker, my question is to the Prime Minister. The answer from the minister responsible for the City of Montreal clearly shows that their program is one of inaction. The Quebec Minister of Industry, Mr. Gérald Tremblay, on the contrary, understands the problem and supports a totally different position: We need to intervene in a very forceful way, he said, and I quote: "Either we take the necessary measures to build an economy for the future or we watch powerless our society becoming poorer and poorer."

Here is my question to the Prime Minister: How long is the Prime Minister going to remain a silent witness to the impoverishment of Montreal?

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, the hon. member for LaSalle—Émard should, at least, have the decency of not contradicting himself in a speech of a minute and a half. He said, rightfully, that we should do something and he quotes the Quebec Minister of Industry. I just mentioned, Mr. Speaker, a large number of initiatives taken by our government regarding high technology industries that greatly helped the Montreal area. I didn't name them all, Mr. Speaker, because I didn't have the time, but over the last three years, we spent $35 million to help new industries settle in the East of Montreal which resulted in the creation of 2,000 jobs and the investment of at least $100 million by the private sector in this field alone. These are a few concrete examples, Mr. Speaker, of what we are doing to stimulate the economy in the Montreal area.

Mr. Paul Martin (LaSalle—Émard): What are you talking about? Mr. Speaker, just yesterday 3,000 jobs were lost in Montreal. This is just rhetoric! Let me quote minister Tremblay again: "Choices have to made urgently. We know what the choices are. I for one have decided for Quebec."

This question is also for the Prime Minister. What is he waiting for to make an economic decision about Montreal, about Quebec, about Canada. No further studies are required. Government has the power, but it lacks the will to use it!

Hon. Jean Corbeil (Minister of Transport): Mr. Speaker, it is really incredible! Understandably so, considering it is coming from a carpetbagger who in 1988 landed on Montreal Island and suddenly discovered Montreal and the province of Quebec. It takes a lot of gall on the part of a member from a party whose former leader massacred Quebec, Mr. Speaker, and excluded it from the Constitution, to come and tell us that the present leader of the Conservative Party did nothing for Quebec when

in fact he has been the only Canadian Prime Minister in the past fifty years to really stand up for Quebec!

Some hon. members: Hear, hear.

* * *

• (1450)

[*English*]

JUSTICE

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, my question is for the Minister of Justice and it concerns the David Milgaard case. Mr. Milgaard is one of Canada's longest serving prisoners.

The Prime Minister recently told Mr. Milgaard's mother that he would speak to the minister about the case which, if I may say, was a very decent and humane reaction.

Has the Prime Minister done that? Has the minister decided to act in what appears to be a situation where justice is not only not done, but there appears to be compelling evidence that Mr. Milgaard did not commit the crime?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am delighted that the hon. member has chosen to alight on that particular subject which does not appear to have interested him before.

The Prime Minister did in fact meet—

Some hon. members: Oh, oh.

Mr. Speaker: The hon. minister has the floor. I know that she will be given the courtesy of allowing her to put her answer.

Ms. Campbell (Vancouver Centre): Mr. Speaker, I suppose I was reflecting my concern that the hon. member who is a lawyer and an officer of the court would stand up in the House of Commons and appear to prejudge a case with which he is completely unfamiliar.

It is quite true that the Prime Minister did have a discussion with Mrs. Milgaard about her concerns about her son's health. The Prime Minister communicated that immediately to me. I communicated it directly to the Director of Corrections, although it is the responsibility of the Solicitor General, and that matter is being looked into by his department.

I have already dealt with one application by Mr. Milgaard under section 690 of the Criminal Code. I have refused the application. My reasons have been made public. There are 12 pages of reasons, which were given to Mr. Milgaard's counsel who made it public. Therefore I feel free to make the letter public and I am happy to provide those reasons to the hon. member.

Another application has been received which will be dealt with in the same fair, straightforward and impartial way as the first application. If that application meets the threshold, it will be granted. If not, it will not.

Mr. Ian Waddell (Port Moody—Coquitlam): Mr. Speaker, let me tell the minister that all Canadians, not just me, are interested in this case because there is a public perception that there was a miscarriage of justice here. She should do something about it. There is not much point in following the same process again.

Will the minister accept what the Marshall inquiry said, open up the process and make it less prosecutorial–driven by the Crown? Let us open it up so she really has the facts. Will she in fact make the MacIntyre report public, make the justice department file public so we can all see it and, finally, will she refer this case to the Supreme Court so that we can have a public inquiry into this man's guilt or innocence?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, first of all I would like to remind the hon. member that this is a process that did result in a new trial for Donald Marshall, and I have granted applications under section 690 of the Criminal Code.

It is a power that is exercised pursuant to the royal prerogative of mercy. I recognize that there are some concerns about it in the sense that it is not by definition a transparent process. I am discussing with my department ways in which in fact it could be made more straightforward.

I think it is important to emphasize that in reviewing these cases the Department of Justice has no vested interest in the outcome. Our interest is only in doing what is just.

Unlike others who wish to comment on these cases, I am confined to the evidence that could be put before a court. When in the previous application of Mr. Milgaard people were making what I considered to be highly unfair attacks on the credibility of the process, I went outside the Department of Justice to get independent

advice from one of Canada's leading criminal lawyers and retired justices of the Supreme Court of Canada.

I am quite open to suggestions to make the process more—

Mr. Speaker: I think we should really move on.

* * *

THE ECONOMY

Hon. Alan Redway (Don Valley East): Mr. Speaker, my question is directed to the Minister of Finance who is well aware that the high value of the Canadian dollar is killing our manufacturing exporters.

Has the Minister of Finance told the Governor of the Bank of Canada that by cutting the differential between Canadian and U.S. interest rates to a point where they were during the 1970s we can lower the value of the Canadian dollar and create jobs instead of destroying them? If the minister has not told the governor that as yet, will he undertake to do so without delay?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I want to assure the hon. member that I meet with the Governor of the Bank of Canada on a regular basis. I think he will agree with me that there has been a substantial easing in monetary conditions.

The interest rates in Canada have dropped by five and one-third per cent since its high of last year. The spreads have narrowed considerably from well over 5 per cent to less than 3 per cent, so that spread has narrowed and is continuing to narrow. There are some positive results that are occurring as a result of that lowering of interest rates and the easing of monetary conditions.

The problem is that we have to continue the fight against inflation to ensure that bringing inflation and inflationary pressures down will result in a further reduction in interest rates, and that is the track that we are on.

I think that the hon. member would agree that the economy is in recovery. We expect that recovery to continue into the second half and on into next year. That will produce positive benefits for all as it has in the house building industry, as it has in the automobile industry, and as it has in confidence both within—

Mr. Speaker: It is time to go on.

POTATO INDUSTRY

Mr. Joe McGuire (Egmont): Mr. Speaker, I have a question for the Minister of Agriculture.

The P.E.I. potato industry has been seriously damaged by a supposed presence of a virus which has prevented it from exporting to the rest of Canada and the United States.

As the minister now knows his department has blundered badly. There is now no evidence that the N strain of the virus has been found in any of the 96 cases identified this year.

Will the minister now admit that this is indeed the case?

Hon. Bill McKnight (Minister of Agriculture): No, Mr. Speaker.

Mr. Joe McGuire (Egmont): Mr. Speaker, I believe the minister should be briefed, as is the minister from Prince Edward Island, that there has been a meeting of the bi-national committee of Canada and the United States. It has evidence that in the 96 cases which have been identified as having PVY-N presence this year the end strain has not been isolated in any one of them.

I want to know what the minister is going to do about this and what steps he is taking to open the border to the rest of Canada and the United States for P.E.I. potatoes?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I should draw to the attention of the hon. member that yes, there is a bi-national panel meeting experts from around the world who have had experience in the PVY, PVY-N, PVY-O and PVY-X viruses. There is one scientist who has made a statement to that bi-national panel that is accurate as far as the hon. member is concerned. He is not accurate in saying that the bi-national panel has made a decision that there is not PVY-N.

But I say to the hon. member that regardless of the strain of virus it is not accepted in the United States.

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PUBLIC SERVICE

Mr. Garth Turner (Halton—Peel): Mr. Speaker, each day the Public Service Alliance strike continues the government is not paying out millions of dollars in salaries to its workers.

My question is to the Minister of Finance. Will the minister consider applying these savings directly to reducing the deficit so that some financial good can come out of this regrettable strike for all of us?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, offset against any savings that may occur as a result of the saving in salaries there would also be on the other side a corresponding cost in terms of disruption and delays. A lot of the work will be delayed and, of course, there will be some loss of revenues as well. So I think it would be very difficult to put a figure on that.

• (1500)

Furthermore, as the hon. member knows, the debt servicing and reduction fund does not allow for this kind of funding to go into that fund. As it presently stands, it is the net revenue of the GST, the revenues that are acquired from the sale of Crown corporations and any voluntary contributions that you, Mr. Speaker, or other members of the House or any one of the public may wish to voluntarily contribute to defraying the deficit.

* * *

JUSTICE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, my question is for the Minister of Justice and it has to do with the Milgaard case. More evidence has come in over the summer pointing to his innocence. There are calls from all over the country demanding a review of this case.

I would like to know from the minister, given the fact that she has referred to the application before her, how long she is going to take before she gives a decision on the latest application?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, the file has not yet arrived at my desk. My department is dealing with it expeditiously and I will deal with it as expeditiously as possible, according to the evidence and the law.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I have a supplementary question for the same minister.

It will take a while for this second review of the application. I would like to know from the minister whether she would consider working toward Milgaard's release on parole pending the completion of the review of the application. There seems to be no reason for the continued incarceration of Mr. Milgaard. Would she work towards the release of Mr. Milgaard on parole?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the hon. member is making some rather extraordinary assumptions. I would remind him that is the prerogative of the National Parole Board. Mr. Milgaard, like anyone else who is incarcerated, has the obligation to apply for parole and to appear before the Parole Board.

* * *

PRIVILEGE

ALLEGED COMMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, normally I would rise in my place with regard to this point of privilege under the provisions of a point of order. But I believe one can justify a question of privilege on the grounds that a remark was broadcast across the country which elicited angry telephone calls as a result. The remark tended to place, I believe, the whole House in disrepute.

I am referring to the exchange between the hon. member for Hamilton East and the hon. member for Burlington. While the hon. member for Burlington was taking his seat, a comment was made in a very uncomplimentary fashion, which I will not repeat on the floor of the House of Commons, but I do have a copy of the tape which I would like to review.

Again, I repeat my remarks that I rise on a point of privilege with regard to the exchange which took place

between the hon. member for Hamilton East and the hon. member for Burlington. When the hon. member from Burlington was taking his seat, some very uncomplimentary remarks were made which I have on a tape that I would like to review.

In point of fact, I wish to refer to three short, succinct citations which I believe ought to be considered by you as justifying a point of privilege.

I quote from "Breeches and Contempts" by Maingot, *Parliamentary Privilege in Canada* on page 213:

> To constitute a breach of privilege a statement reflecting on the conduct of a member in his capacity as a member need not to be true but it must tend to lower the House in the eyes of the public.

I suggest that the tape will prove beyond a shadow of a doubt that it does; second, there are actions which, while not directly in a physical way obstructing the House of Commons or the member, nevertheless obstruct the House in the performance of the functions by diminishing the respect to it.

The second citation which I would ask you to review, Mr. Speaker, and which I will table with the clerk, is on page 214 from the same text:

> Contemptuous references hold the member in disrespect of his parliamentary conduct and, thus, the House is held in disrespect. The House of Commons is prepared to find contempt in respect of utterances within the category of libel and slander and also in respect of utterances which do not meet that standard.

The final citation is from the sixth edition of Beauchesne, page 143, citation 486, which reads in part:

> It is impossible to lay down any specific rules in regard to injurious reflections uttered in debate against particular members or to declare beforehand what expressions are or are not contrary to order. Much depends upon the tone and manner and intention of the person speaking.

I hope, Mr. Speaker, you will give careful consideration to what was said and the tone in which it was said.

Further quote:

> Sometimes upon the person to whom the words are addressed, as whether that person is a public officer or a private member not in office, or whether the words are meant to be applied to public conduct or to private character, and sometimes upon the degree of provocation which the member speaking had received from the person alluded to. All of these considerations must be attended to at the moment as they are infinitely various and cannot possibly be foreseen in such a manner that precise rules can be adopted with respect to them.

Those are the three citations that I give to you Mr. Speaker and to the Clerk. A copy of the tape I give for you to review, and if you find that there is a *prima facie* case of privilege, I would be prepared to move the appropriate motion.

I stand in my place raising this because it has been the government House leader in the last 24 hours who has demonstrated to the House that he is concerned about the conduct of all members of Parliament. I wish to tell this House that after the remark made by the hon. member for Burlington, phones have rung in our offices on Parliament Hill calling to our attention the words which were used by the hon. member. I would hope, Mr. Speaker, that you will give careful consideration to the evidence that I put before you, and I would ask as a courtesy that you would hear the hon. member for Hamilton East who was the victim of what I believe to be a slanderous remark by the hon. member opposite.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, frankly if it were just a battle between myself and the member for Burlington I would not bother to waste the time of the House in bringing attention to it. This is not the first time that he has used disparaging comments when they relate to women members, and I refer to the time he was forced—

Mr. Speaker: I have listened very carefully to the House leader of the Official Opposition and I have recognized the hon. member who believes that she was the subject of the comment. I have to remind hon. members that I am now dealing with a question of privilege which arises out of Question Period just past and which has been specifically identified—

Some hon. members: No, no, this morning.

Mr. Speaker I am sorry, this morning. This is not a place to get into a long debate over what somebody did or did not say over a long period of time in the House of Commons. I want to just let hon. members know that I am taking the matter very seriously. I also am being very serious about confining the issue to that which has been brought in front of me.

The hon. member for Hamilton East.

Ms. Copps: Mr. Speaker, I was following the rules of the House. Since the comments this morning, my office has been inundated with calls from people who distinctly heard the member for Burlington call me a slut.

• (1510)

It is incumbent upon me as a member of this House to point out that that member should stand in his place and unequivocally withdraw and apologize for the insult of all women. It is not just an insult directed toward me.

I am sure, Mr. Speaker, in analysing your rulings you are going to want to consider the fact that this is not just a one time incident and it is not just a one time insult directed toward a member. He has been called to task on this issue numerous times in the past. I hope that this time he will be person enough to stand in his place and apologize.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, after the exchange in the House, including part of the debate, as I resumed my seat I said: "What a pain in the butt". I do not think that is unparliamentary.

If the hon. member believes that is unparliamentary, I would withdraw the remark and apologize.

Mr. Speaker: The House has heard from the hon. member for Burlington. I understand that the hon. government House leader has asked me to listen to the tapes. I will do so and report back to the House. There is no need for further argument.

* * *

[*Translation*]

POINT OF ORDER

COMMENTS ALLEGEDLY MADE BY MINISTER OF TRANSPORT DURING QUESTION PERIOD

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, during oral question period, the Minister of Transport said that I had lived in Montreal since 1988. I have lived in Montreal since 1966. Maybe for him I am not a true Quebecer, but let me tell you, Mr. Speaker, that I am a Quebecer to the core.

[*English*]

This is not only a question of privilege on my own behalf. I speak on behalf of vast numbers of Quebecers who were not born in the province.

This minister implied that you cannot be a Quebecer unless you were born in Quebec and by extension that you cannot be a Canadian unless you were born in Canada. That is despicable.

Mr. Speaker: There was an exchange here in which both hon. members were of course expressing their points of view very vigorously. The hon. member for LaSalle—Émard may very well have a complaint but I find it very difficult to find that it is a question of privilege.

The hon. government House leader.

* * *

BUSINESS OF THE HOUSE

BILL C-29

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I indicated yesterday by way of notice that it would have been my intention to stand today and move that government Motion No. 4 in the name of the government House leader be not further adjourned.

I have been talking to the President of the Treasury Board and he indicates that certain discussions are going on. There have been some consultative discussions between House leaders and myself. In view of those circumstances, I think it would be appropriate that we carry on with second reading debate on Bill C-29

Mr. Speaker: I wonder if hon. members would allow me to interrupt just very briefly. In view of what took place immediately after Question Period I felt that it had to take precedent.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I wish to draw to the members' attention the presence in the gallery of Mr. Ahmed Mohamed Al-Anessi, Minister of Communications of the Republic of Yemen.

Some hon. members: Hear, hear.

The hon. member for Cape Breton—East Richmond.

* * *

BUSINESS OF THE HOUSE

BILL C-29

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish just to confirm what the government House leader has said, that there have been some discussions between myself and representatives of his office, as well as members of the New Democratic Party. We would hope and understand that all are pursuing in

the line of good faith and clear understandings and perhaps something may result in the very near future.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I want to say to my hon. friend, the government House leader, that I appreciate his gesture.

It is certainly a gesture of good faith on the government's part. Discussions have been taking place. We are very hopeful and encouraged. I simply want to say thank you to him for taking this very progressive step.

GOVERNMENT ORDERS

[*English*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Andre that Bill C-29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, be read the second time and referred to Legislative Committee F; and the amendment of Mr. Chrétien (p. 2227).

Madam Deputy Speaker: When the House rose at one o'clock there were five minutes remaining in the period of questions and comments following the intervention from the hon. member for Kenora—Rainy River.

The hon. member for Regina—Wascana. I do apologize to the hon. member. There are many people standing around him and I could not be sure whether he was rising or preparing to leave the room.

Mr. Larry Schneider (Regina—Wascana): Thank you, Madam Speaker. Being five foot eight inches I quite often experience that phenomenon. However, I find in the evening that equates to the great equalizer and we all acquire the same height.

I was in the midst of concluding my comments and was about to ask my hon. friend a question. I will get to the question right away. He made two points in his remarks that I would like him to comment on.

First, my hon. friend commented about the government and the private sector services not being different. I submit to him that they are significantly different. The second point was, and I believe his words were to this effect, that unless Canadians were hurt by a strike, a strike would not be effective. I would like to ask him if he supported Wayne Easter of the National Farmer's Union and Daryl Bean of the Public Service Alliance of Canada and its political allies at the time it held its news conference yesterday. Does he support that action that caused the non-delivery, the unavailability of grain inspectors to go to work and as a result caused Saskatchewan farmers to just sit on their grain?

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, I would like to deal with those questions very quickly. The first question relates to whether I feel that the labour force, the men and women in this country, be they in the private sector or the public sector, should have collective bargaining rights. The answer to that is yes, certainly. I feel very strongly that if the government of the day decides to allow its civil servants the right to strike, which it should unless it is absolutely essential that they be here to make the government run, then I believe there is no difference and we should not try and discuss it as if they are apples and oranges, the way the President of the Treasury Board has been doing over the last few days. The fact remains they are Canadians who live in a democracy and they are part of a collective bargaining unit and because they are, they should feel they have the same rights as anybody else in this country.

The other question was whether I believe it is necessary for strikes to hurt. I think the member took my remarks out of context. What I did say in my speech was simply that if they feel that a strike will not hurt anyone, then they really are living in a bubble called Ottawa. The fact remains that in the real world, whether it is the private or public sector, if there is a stoppage of work those people will be hurt. Others who are involved with those particular striking employees will also be hurt.

I think it has been interesting to note that the government opposite has been dealing with this in a very personal way, which is the way it does business on a regular basis and that is to try to divide and conquer. What it has been doing is suggesting that Daryl Bean has a political agenda and that most of the public servants do

not agree with him. It was interesting to note there were over 10,000 people on the Hill yesterday and the reason for that was because they feel very strongly that they have been wronged and they are looking to the government to right that wrong.

I think it should stop trying to divide and conquer the Canadian people and start working with them to better this country for all of us.

• (1520)

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I would like to ask my friend and my colleague a question with respect to the excellent address he just delivered to the House. I was particularly impressed with what he had to say inasmuch as he comes from a perspective of being in the trade union movement all his life and therefore has an understanding of the mechanics and the dynamics that are involved in this type of situation.

My colleague and I and many other people in the House fail to realize sometimes that we come from the majority of small communities within this country and at the end of this—and it will end soon we are told—these people in these small communities who are neighbours and live together must then get along in this terrible spirit of animosity that has been created by the government of the day. I would like this member to express what he anticipates will happen with all of the small communities in this country that are served so well and ably by the Public Service of our country.

Mr. Nault: Madam Speaker, I thank my colleague for his kind words and I would say very quickly that we are going to see some nasty repercussions to the kind of action being taken by the government.

The government has to understand that these things are not forgotten the day that legislation is passed and Royal assent given. It lingers on for years and years and years. A perfect example of that is Canada Post and what has happened with the labour-management relations there.

You cannot force people to be something they do not agree with. You have to convince them of the necessity to do something and what we are going to see in small-town Canada, and there is a lot of civil servants there, is a feeling of being very left out in the process and services will be hindered because of it.

I think we all have to understand and expect to see that because of what the government is doing.

Mr. John Reimer (Kitchener): Madam Speaker, Canada's largest Public Service union, PSAC, is on strike and innocent citizens are suffering because of it. Thousands of Canadians, whether farmers paralysed by halted grain shipments, or commuters held up by airline delays, have been adversely affected by this unnecessary and regrettable dispute. Surely this strike has run its course.

Public servants who wish to work are fed up with the daily picket-line harassment. Farmers are fed up with feeling the grip of this union's stranglehold on their livelihood. Pensioners are fed up with government telephones left unanswered. Air traffic controllers are fed up with ridiculous airport barricades and the government is fed up with this strike as well.

I agree with some of my constituents who met with me on Saturday and said: "Enough is enough". Now is the time to send these strikers back to work.

Why is the PSAC on strike? Assuming that the numerous picket sign captions are a reflection of their carriers, the primary issue is the government's unpopular wage formula of zero, three and three. That is fair enough.

I, too, am not thrilled about my 1992 wage being frozen at zero either. I, like many Canadians, in the past always expected wage increases on a yearly basis. However, for the sake of our children, it is time to rethink this expectation. Past government cycles of spending and taxing, and taxing and spending, have produced today's overwhelming $400 billion debt, a growing debt that will be passed on to tomorrow's generations if not controlled today.

In the February 1991 budget the Minister of Finance outlined the government's plan for economic recovery. The plan which detailed measures and has successfully led the country out of its recession structured a design for renewed prosperity and competitiveness.

But no one promised when we introduced that budget back in February that it would be easy. Tough decisions had to be made. Habits of the past, which are always difficult to break, were cast aside and the government's

commitments to deficit reduction and controlled fiscal planning introduced in 1984 were reinforced.

Specifically, the government's wage policy became an integral part of this seven-year strategy, a strategy that will affect not only the PSAC but all public servants, all parliamentarians, all Order in Council appointees, all Crown corporation employees, all military personnel and all RCMP staff. Unquestionably, this is a tough policy, but it is a fair one.

I agree with the President of the Treasury Board who said that the public servants deserve more, but our financial resources do not allow it.

Nothing we are doing in this legislation can be truthfully construed as union-bashing. Over the past seven years, as member of Parliament for the federal riding of Kitchener, I have come in direct working contact with hundreds of public servants at all levels.

The vast majority are excellent public servants. Further, I admire their tolerance and their patience with the many different demands placed upon them by the public and the policies which they must implement, given to them by government. On almost all occasions, my staff and I have received excellent service for our constituents from our Immigration, Canada Pension, Canada Employment or Customs and Excise public servants and many others in government departments I have not mentioned.

I also know that not all PSAC members want this strike. Not all are picketing. Some have tried to go to work and have done so. Some are picketing as a result of peer pressure and intimidation.

Further, I think it is essential that we quickly pass this back-to-work legislation. Just a little over an hour ago, I received the following facsimile message from a company in my riding. Here are some of the points made to me. Two names were mentioned and I will not read them. The message said these two people are not available due to the PSAC strike, so it is impossible to reach them at the local office of Revenue Canada. Customs staff at Toronto airport have just gone out, so we cannot ship anything to Czechoslovakia as part of our regular shipping schedule. The company is denied the possibility to exchange and to sell goods from Canada to Czechoslovakia.

Further, the company says cheques from the Export Development Corporation due from previous shipments to Czechoslovakia are being held up. And therefore, the end: "We are running out of time. The bank will not continue to simply extend their good will to us."

In other words, the bank demands the money and if it does not get it, the bank closes a company. Therefore, both the managers and the workers are unemployed as a result of this strike. That is why we are bringing in this legislation.

The country cannot afford this strike, workers at all levels in my riding want this legislation and they want it now.

The reality is that to govern one must choose. There are at least two alternatives we could follow. The way we proposed in this budget which will apply to everyone including the Prime Minister, the cabinet, members of Parliament, senior managers and all the bargaining units in the Public Service or the road chosen by the NDP government in Ontario. Those are two different alternatives.

It is very interesting and very informative to compare the federal government and six provinces which have followed the federal government's lead on the one hand, and the Government of Ontario on the other.

In the February budget, we proposed the zero, three and three for the next three years with some flexibility in other areas of the agreements with the different bargaining units.

Let us look at six examples of other provinces that have followed the federal government's lead. Nova Scotia has introduced legislation that will provide for a zero per cent increase in the next two years, 1991-92 and 1992-93. That is two years in a row at zero.

Saskatchewan introduced legislation of 2 per cent for this year and 2 per cent next year. Manitoba has introduced zero per cent for 1990-91 and that is back-dating it, and also 2 per cent for 1991-92. Quebec has introduced a zero per cent freeze from January 1, 1992 to June 30, 1992, followed by 3 per cent. Newfoundland has introduced zero per cent for 1991-92. New Brunswick has introduced zero per cent also for 1991-92.

• (1530)

When you look at more detail, say on the example from Newfoundland, on April 16, 1991, the government there passed the Public Sector Restraint Act which provides for no financial improvements to either salaries or benefits. We are looking at just the salary here, but they did it for both for the 1991–92 fiscal year. All salary increases which were due to occur during the financial year of 1991–92 were cancelled, even though they had agreements with those bargaining units. So that is what they have done.

Nova Scotia, in its budget announced on May 14, calls for a two-year freeze on wages of provincial employees and affects collective agreements which expire in the fall of 1991. So that affects some of the agreements as they come to a close and then it is a zero followed by another zero.

These are two examples, plus the other four that I gave of six provinces and the federal government, who are all following one direction of a zero per cent freeze, some for one year, some for six months, some for two years. So that is the one alternative.

Then there is the other route chosen by the NDP Government of Ontario which the federal NDP has endorsed. The NDP government in Ontario increased its program spending this year to the tune of 13.4 per cent. We, of course, brought in legislation to cap it at 3 per cent for the next five years and we have been running at 3.7 per cent for the last six years. The Ontario NDP government's present wage bill is increasing at 14.5 per cent. In its last budget it increased its annual deficit by 300 per cent.

So there is the one route that the Ontario government is following. That route was tried here in Ottawa from 1980 to 1984. In fact, we can compare this month today to 10 years ago and we can compare August going back to 1981. Look at a few figures here. Inflation in August of 1981 was 12.9 per cent and rising, whereas today it is 5.8 per cent and falling. The prime interest rate 10 years ago today was 22.75 per cent and rising, whereas today it is 8.7 per cent and falling. The unemployment rate 10 years ago was 12.8 per cent and rising, now it is 10.5 per cent and falling.

It is important to note that there have been settlements with Treasury Board and the bargaining units with Treasury Board that have respected the wage restraint program of the budget and several bargaining units. Let me give just a few examples. Two groups, the engineering and land survey group and also the physical sciences group, have ratified settlements that date back to September 1, 1990 and June 16, 1990 respectively. In those two they agreed to a 4.5 per cent for last year, zero per cent for this year and then 3 per cent following. So they are abiding by the zero and three announced in the budget. The physical science group is the same, 4.5 per cent, then zero, then three.

The translators have just come to an agreement and they are accepting 4.7 per cent for last year and are now in the zero per cent for this year and 3 per cent following.

Since the February budget, the air traffic controllers settled for 4.5 per cent last year, zero now, followed by three and three. The ships' officers settled for the same.

The PSAC, are at 4.2 per cent from last year and we are now asking them to accept the zero and the three program which others have concluded in various agreements with the President of Treasury Board.

Other points have been raised. One of the questions raised or points made by some in the media and even some here in the House, although I am amazed that anyone here in the House would dare to do it because the facts just do not bear it up, comparing MP's salaries and those in the Public Service.

Between 1984 and 1990, salary increases for MPs totalled 17.6 per cent. That is compared to inflation, which rose by 29.6 per cent. Wage increases for public servants, over the same period, rose by 25.5 per cent. In the public sector, salary increases over that period went up 29.6 per cent. So in all cases MPs are at the bottom of that list, not at the top, as some are suggesting.

The wage restraint policy announced in the February budget will further restrain salary increases for MPs. MPs are not asking public servants to accept anything that they are not prepared to endure. The bottom line is that MPs are going to be treated exactly the same as public servants. We will have to go into the zero for our next year which begins on January 1, 1992. For that year our increase will be zero. So we will be in exactly the same program.

Nobody has referred to something that happened historically. In 1985 the Prime Minister demonstrated leadership by accepting and putting into a budget a 15 per cent pay cut for himself, a 10 per cent for all cabinet ministers and then all MPs received a $1,000 pay cut. Nobody is talking about those things. Everybody conveniently ignores all of that. The truth is that the exact

same program that applies to the public servants applies to us and I think it is time we say so.

Upper management in the Public Service is also being treated exactly the same way. So are the military, the RCMP, every single department that works for government. It is time we start saying that the only difference is when that calendar year begins. Everybody is affected by the zero, three and three. I think that is the key point which has to be put out so that everyone knows we are all being treated equally.

The fact that Canadians are forced to endure yet another postal and now a Public Service strike is deplorable and I think it is unacceptable for the 1990s. Surely it is time to bring in some new attitudes and policies that will make strikes in the public sector obsolete and regard them as a primitive and outmoded means of solving labour-management disputes. Strikes in the private sector have at least some disciplines placed upon them, such as competition with other producers, profit and loss margins and layoffs when a particular business, owners, managers and workers refuse to work together for the competitive success of their products and their labour.

The public sector, however, has few if any such constraints. Public sector employees rarely face competition or seasonal unemployment and they never worry about management going bankrupt. Governments and public sector bargaining units, therefore, either print more money or pass on the costs to their children through higher deficits and deferred taxation or they are forced to raise taxes which, historically, they rarely do.

In a private sector strike those who feel the brunt of the pressure are the workers on the one hand and the management on the other and both could lose everything if the strike is too long. However, in a public sector strike it is the public at large that suffers; innocent pensioners, the disabled, the unemployed, those requiring government services, businesses relying on customs clearances, air travel, and on and on it goes. They all suffer. The list is endless. The cost to Canadians in dollars and in morale and foreign competition is immeasurable. Therefore, I think it is time that we in this House, and I would invite all parties to consider this, and particularly the government, to correct what I think is a grievous error of the Pearson administration in 1967. The Public Service Alliance and the postal strikes and the bargaining processes, once those are all out of the way and we get this back-to-work legislation passed, and we hopefully bring back peace to our relationship with the PSAC, and once we get the postal thing out of the way through the bargaining process now under way, then I think it would be time to introduce legislation to replace the right to strike in all public services with dispute-settling procedures and firm arbitration deadlines. We will then restore Canada's international reputation as a nation where people work together in harmony and with realism and with acceptance of one another rather than the strikes, the confrontation, and the hatred we have witnessed over this past five weeks and unfortunately is repeated every two, three, or four years.

• (1540)

I say with all sincerity: let us get on with that agenda as well and reconsider the error that we once committed here in this House. Let us end that process. I urge everyone to quickly pass this bill so we can have the workers in the Public Service back serving the public as their name implies.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to begin by reminding the hon. member that even though it was Mr. Pearson, as he mentioned, who introduced the right to strike, in subsequent periods of disagreement with the Public Service Alliance over many years of Liberal government, we never hesitated to legislate public servants back from a strike. What we always did was put a mediator in. That is the fundamental difference between our approach to this problem and the government's.

I have listened to the government speakers for most of the day and all of us in this House are well aware of the suffering that is going on in our communities, whether it is international airports that are being slowed down, or problems in the west with shipping our grain, and I am going to repeat this as often as I can this week. There is absolutely no way that we are less sensitive to these issues and the government should not suggest that we are less sensitive.

In my community of downtown Toronto the unemployment has never, ever, been as high as it is today. People are in pain. They are suffering and you cannot live in Toronto on an unemployment insurance cheque. You cannot live in Toronto on a welfare cheque. You just cannot do it. I cannot wait until we get focused in this House on ways in which we can put people back to work.

I want to ask this member who talks about the government's position so confidently that if he is so confident in his sense of fairness, if his judgment is that the way this is being handled is so fair, then why should he not want to put a mediator in to analyse all of the factors on both sides of this debate?

I do not think you should be putting in a sort of precondition. I have never been in any kind of a negotiation between labour and management where you put a precondition. I would like to ask the hon. member who is from Kitchener whether the just in time delivery mechanism is so important for his auto parts manufacturers. If these plants do not get those trucks just in time the whole factory shuts down. For the sake of pride, it is not the Public Service that is leading this country it is the government. When will the government take the lead?

Put a mediator in there so that those just in time deliveries can get going which will affect the manufacturing in his riding as well as in every other riding across the country.

Mr. Reimer: Mr. Speaker, I appreciate the tone in which the member has asked the question. Also, I empathize with his constituents and the problems that they are going through. That is true for Canadians right across Canada which he has mentioned. It is serious, and I think that is what he is saying as well.

He is looking for a means out of this dilemma. It part of the purpose of his question.

I tried to suggest remedies in my comments. Let me just briefly reiterate that the President of the Treasury Board has tried through 60 days of negotiating sessions. He has tried through 30 days of conciliation proceedings. He has also made an offer as a result of the Public Service board which has Mr. Deans as the chairman. He suggested that negotiations should resume.

With respect to that, the President of the Treasury Board says: "Yes, we are willing to go back to the table without preconditions, except for what we did in the budget." You see there is another problem here, Madam Speaker. It is that Mr. Bean has also said that he does not want to go back, no matter with whom, if this zero and three is there.

What we have to do is bring in this back-to-work legislation and then say to the two parties: You must now talk. It is not as though we are the only ones doing this.

I pointed out how six different governments are doing this. Some of them have done it retroactively on agreements already signed. The reason for that is that we cannot simply keep going on and on piling up more and more deficit and debt because then we will never ever stop the inflation cycle. We will never regain the competitiveness for the workers who are unemployed in his riding or the workers unemployed in mine. That is also behind this.

We are saying: I am sorry. Right now it is going to apply to everybody and we must do this. We are willing to negotiate on all other issues, but on that one we must take a stand. Six other provinces have done the same.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I just want to make a comment and ask my colleague from Kitchener a question with regard to the back-to-work legislation.

As everybody has mentioned, it has hurt all of us right across the country. Coming from the west, of course, the shipment of grain out off the west coast is extremely important.

When the strike initiated, there were five ships in the harbour and there are 41 more coming and waiting to enter, which puts us pretty close to 50 ships that cannot be loaded. This means a great deal for our prairie farmers and indeed for all Canadians across the country.

I too have heard from a lot of constituents who feel very strongly that the Public Service should not really have the right to bring the country economically to a standstill. I am learning more. I think this is really a political strike, where things are different, and yes, my colleague from the other side mentioned that there was

mediation some years ago when the Liberals were in power.

We are under a different set of circumstances and a different philosophy and, indeed, the right philosophy. It is called restraint. It is called deficit reduction and debt reduction. Our main goal is not to saddle our children and our grandchildren with the amount of deficit and debt that this country is now carrying. In order to do that, we have to act on every measure and every department.

As my colleague from Kitchener mentioned as well, every one of us in this House and every one of us working for the government is being subjected to the zero, three, three formula.

He mentioned something that was most interesting with regard to what he thought should come down the road in the future. Perhaps the right to strike that was given to the Public Service in 1967 should be removed and it should have binding arbitration.

• (1550)

I have to agree with him. I just wonder if he would comment on binding arbitration or the dispute settlement mechanism.

Mr. Reimer: Madam Speaker, I appreciate the question and the comments made. I think it is time that we look at this question of strikes in the Public Service. In my mind, they should all be gone. We should take them away.

We have to change the legislation of 1967. I wish provinces would also look at it, with regard to teachers—my background was a teacher—and as they have done for other things. With all public servants, whoever they are, none should have the right to strike. That is my view.

The reason I say that is because the disciplines that take place in the private sector do not apply in the public sector. We cannot compare the two. That is the reason why we need a different mechanism. There are constraints in the private sector in a strike. They fall equally on both workers and management. They have to work it out or they both lose.

Who is the constraint in a Public Service strike? No one. There is rarely competition. Who goes bankrupt? No one. It is loaded on the future or if you have some sense of responsibility, you tax them. No one says that in here. I have not heard opposition members against us say: "We would like them to get more and we are prepared to say yes to higher taxes". No one has said that.

In other words, I think in response to the question, yes I would like us to revoke what we did in 1967. Take away the right to strike in the Public Service at both federal and provincial levels. Provinces would have to do that themselves, but we could take the leadership.

Then we bring in a system in which we know that a contract comes up to a certain date, then immediately an arbitration process kicks in, then immediately a conciliator process kicks in and if necessary, finally then a mediator closes and you must accept. I think we can do that. That is my response to the member.

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I wish it were as easy and as simple as the hon. member for Kitchener suggests. All we have do is pass this legislation and there shall be harmony between government and its employees. I can think of many instances in which we would like to have that kind of a system. I can suggest places where they have tried to do it that way and those governments are now falling apart all over the world.

It is not that easy to say there shall be harmony. That is one of the things that worries me about the legislation we are considering right now.

It would seem to me that we are rushing toward a precipice. We are going to have a choice mighty soon of going over the edge or backing up. From the remarks I heard earlier today from the hon. House leader for the government, there seems to be some possibility that we will be backing up. I dearly hope that will be the case.

This legislation is doing something different. In spite of the remarks by the hon. member for Kitchener, and other speakers have said this in their own way, this legislation is different. It does not provide for any way of settling the arguments between the representatives of the employees and the employer. It simply says that the arguments shall cease and for a period of three years there shall be no bargaining rights. It wipes out all of those rights for three years.

As I said earlier, that has been tried in other countries and those countries are falling apart. In my father's native land of Croatia, look what is happening there where there was a decree that there shall be harmony

between the various nations making up the Union of South Slavs, Yugoslavia. It just does not work.

That is what we are getting into, legislation that will wipe out all bargaining rights, legislation which will say what will be the position of the employees for the next three years, and we are going to make them like it.

The President of the Treasury Board said that once this legislation is passed, he is prepared to meet with the representatives of the employees and have a cup of tea, I suppose.

I do not know what else they could do together with that legislation facing the representatives of the public employees. We do not have to jump. As I said earlier, I am hoping that the discussions that are now going on will mean that we will not be jumping, we will be backing up and taking a saner look at what has been going on.

The representatives of the employees, to my knowledge, have always said they are ready to bargain. They have not set any preconditions, they have set certain goals. They wanted some progress toward equal pay for work of equal value, they wanted some progress toward privatizing government services, and they wanted job security. The President of the Treasury Board said: "We have been negotiating for 60 days and we have made no progress". What kind of progress, what kind of negotiations?

First let us look at the pay increase that, to the best of my knowledge, was never talked about by the union, but it is always one of the things that unions would like to bring up. The budget said you can have a 3 per cent pay increase in the first year, as long as you will accept the fact that the total cost of wages must remain the same. It is the ones at the bottom rungs who will be laid off because he also said we are going to have to lay off enough so that there will be no increase in the cost of wages. That would mean to the union that if you want to accept layoffs of perhaps one in twenty of the people working in the Public Service, then the remaining ones working can share a 3 per cent wage increase. In the second year, a 3 per cent increase again and another 3 per cent in the third year.

He said: "You have until June to accept this. No point in talking, we will not talk about it at all, that is the condition; you have to accept it now and know that one in twenty of your comrades is going to be laid off, or don't accept it and then you will get a zero per cent wage increase for those who are working for the government".

I have to wonder, was the government being deliberately confrontational? Was the President of the Treasury Board on behalf of the government hoping to push the union into a position where it could not possibly say yes? How could any union leader accept those conditions? A zero per cent wage increase and then 3 and then 3—up to 3. He never said they would get 3 per cent in the second year or 3 per cent in the third year; that was the maximum. It could be anything under that. One knows, too, what can happen to legislation in the second year and the third year.

Those kinds of conditions expect the union to accept that in the first year of a contract it is in effect going to be receiving dollars this year that will be worth 6 per cent less; for every hundred dollars it got it would buy $6 less in value than it would the year before. In other words, it is taking a pay decrease of 6 per cent in the first year, and it is supposed to accept that graciously, and then accept a further decrease in the second year of perhaps one, two, three per cent, we do not know. We do not know that it is going to be a 3 per cent increase, nor do we have any idea at all what inflation will be in the second year. The workers have to sign a contract saying that they are prepared to live within 3 per cent, but the government is signing no contract to say that inflation will not be any more than 6 or 5 or 4 or 3 or 2 or 10 per cent.

There is no agreement on the government side that it is going to control it. It wants to, it has set its targets, but certainly its success in meeting those targets in the last seven years of Tory rule would indicate to me that it is going to be somewhere in the vicinity—maybe half way or something like that—but certainly it has not met with any degree of success in reaching the targets it has established for inflation, for interest rates, for deficit, for debt. None of those targets has been anywhere near met. And yet the workers are supposed to believe that if they accept this sacrifice then the government will meet its targets and they will not be any worse off than the government predicts in making this offer to them.

Is the union leader supposed to accept that and go back to his union members, 150,000 strong, and say: "This is the deal I made, aren't I great?" Can you imagine just how long that union leader would last? Madam Speaker, if you were voting, would you vote for that kind of a leader? Nobody could accept that. The President of the Treasury Board knows that could not be acceptable. He knew that the union would never agree to

those, could never agree to them, and yet went ahead as though we were marching—not realizing there was a precipice there—safely along and everything was going well, and the union would cave.

• (1600)

Did the President of Treasury Board have in mind that is what would happen? The PSAC would lead its members into a strike, a strike that would not be supported by the membership and that if some of them did go out for the first day or two then they would come back to work because they could see that their fellows were not marching with them on the picket lines.

It did not work that way. I think the government did make a mistake. I hope that is the case. I hope it did not want to have the kind of confrontation we are dealing with today. I am not sure, but I am hoping it thought it could destroy the union. To its credit, the union has proven that it is capable of taking on the government and surviving and growing stronger as the days roll by, rather than weaker. It is tough for it.

The hon. member for Kitchener again talked about the privation and the way people are suffering. Every union leader knows that no trade unionist on the picket line is going to come out of that strike any better off than he went into it. They are the ones who are guaranteed to lose. They cannot possibly get enough of an increase to make up for any length of a strike. It does not work that way. The ones who come behind them do gain. The ones on the picket line are not doing it for themselves, they are doing it for the principles involved and they are doing it for the people who are coming behind them.

In the private sector when there are these kinds of worker management disputes and disruptions, sometimes the employer wins and sometimes he loses. The workers always lose. In the public sector, generally the employer wins because he is paying less wages out, although there are costs associated with a strike.

I have forgotten which cabinet minister pointed out that they cannot allocate the profits from this to the debt reduction because they cannot determine just how much will be gained. There are losses. Everyone loses whenever there is any kind of a worker–management dispute that ends in a withdrawal of services. There is no question about that.

There are other people who suffer as well. There are people who are suffering because of this. There have also been some excellent examples, to me, of the way in which the trade unionists are trying to co–operate and trying to help. I visited picket lines in three communities in my own riding on Vancouver Island. I saw trade unionists talking with people who were coming to try to get some service from the government. I heard them telling people: "You can phone or write and tell us what your problem is and we will give you the best advice we have as to how you can get the service you need". In the event that going into the office and being serviced by one of the people working there was the best way of getting it, then they were invited to go through the picket line into the office and get what they needed.

There are stories in the newspapers about what is happening in other communities. I can only tell you what is happening in Nanaimo, in Duncan, in my own constituency on four different locations. They were cheering, good natured and looking forward to the end of the strike because they are not getting paid. They were doing everything they could to make it easier on the individuals involved.

If it were up to the union, I think there is no question that the farmers on the prairies would not be suffering. It does not want to take it out on them, but neither does it want to be taken advantage of by a government that could have acted on this much sooner.

If the government really wanted to keep the grain moving, as was pointed out earlier, a year ago it could have designated those people as essential servants and they would have been working.

Alternatively, the government miscalculated and thought there would be no strike. The strike started a week ago Monday. It did not have to wait until Monday of this week to call us together. It could have called us together on the Tuesday and taken action immediately. It chose not to. It wanted people to suffer some first in the hope that public reaction would be so damaging to the

union movement that the union members themselves would cave.

I walk to these buildings every morning about 7 a.m., and I greet strikers as I walk along. They are getting positive honks from car horns and people are walking by with thumbs up. I know that was happening in my own riding of Nanaimo—Cowichan. To this point, at least, I believe from what I have observed that the strikers have public sympathy and public support. Certainly there are individuals who have criticized them, not because they are getting hurt, but because they just do not like people being on strike.

I had a discussion with one of those individuals and the hon. member from Kitchener reminded me of it when he spoke. He said they should not have the right to strike. That is not the point. They have, for 24 years, had the right to strike. It was given to them by government.

If you are going to take it away from them, be honest about it and say that with respect to public servants, we need a different way of handling things. It does not even have to be forced. These kinds of arrangements have been negotiated with employees previously by other governments and in other circumstances. It can be done by negotiation, by agreement and the procedure for handling disputes can be negotiated, but you do not, in spite of what the hon. member from Kitchener believes, get harmony by saying that from this day on there shall be harmony. It does not work that way.

But you can get it by sitting down with people and being reasonable with them. That does work. It can work. It is not the time to do it now, I would think, with the government having pushed the situation to the point that it has, but it can work. It is the method that I wish this government could have adopted from the beginning.

The minister of Treasury Board says he is happy to sit down with the PSAC, not necessarily himself, but certainly have his representative sit down with the union representative just as soon as we pass this legislation. I get the impression that events are overtaking that and that something else will be happening soon. In the event that it does not, I think it is too late for him to hope for some kind of improvement in relations because that is what he is talking about, improving the relations.

Why are relations so bad? Is it because they have not been willing to talk to each other? Why have they not talked? As I said, you cannot talk when one side says: "These shall be the limits on pay increases, the upper limits not the bottom limits." When it comes to the other factors, when it comes to job security, he said in his speech: "We will not accept." When it comes to equal pay for work of equal value: "That is not our business. It is up to the Human Rights Commission." When it comes to contracting out: "We must seek the most effective or efficient way." He did not say: "as we see it", but that is what he meant.

Having said all that, is he going to make friends with the representatives of the PSAC? Why does he not say: "We will not talk, but let us go to the room." That is not the way to establish any kind of rapport between the two groups. The minister has a long way to go if he is going to try to establish any kind of friendly relations with the trade union.

We have been told that we must pass this legislation. We have to have the zero, three and three limits or we will damage our road toward recovery. Is the road to recovery so narrow and so hard to traverse that a 3 per cent increase in salaries to public servants is not feasible? An amount that represents some two and one-half days worth of interest on the public debt, a debt which has been more than tripled by the Tory government in a mere seven years. In spite of that kind of a record, it says that we will damage our reputation internationally, we will damage the road to recovery if we incur expenditures amounting to another two and one-half days worth of interest. Alternatively, this is one-eighth of the amount that we have been spending to keep Canadian forces in Europe looking for Russians who are getting home just as fast as they possibly can. As soon as they can find some place to go to back home, they are going. They are running out of East Germany and running out of eastern Europe. Yet, we have to be spending $1.2 billion a year. I believe that is changing too. I have not heard the announcement, but I understand that is changing as well.

An hon. member: It is the same as it was.

Mr. Stupich: It is the same as it was. It is still costing $1.2 billion. A one-eighth reduction in that amount of money would provide enough to give the civil servants that increase. That is a lot of money to you and I as individuals, a lot of money to Canadians as individuals or as groups.

• (1610)

But to say that incurring expenditures of $150 million when the minister himself argues that we should be moving toward pay equity, when the Prime Minister said that the funds are available, have been set aside to achieve pay equity, a solemn promise during the election campaign—

An hon. member: During the throne speech too.

Mr. Stupich: During the throne speech as well, I am reminded. Is that price too high? Is that the price that is going to destroy Canada economically? If that is the case, then we are in a bad way. It is not because we have been in office. The Tories have been in office and have had complete control for the last seven years. If in that period they have brought us to that sad state of affairs, then they have a lot to answer for.

I do not believe it is that bad. I do not believe even the Tories could have us in that bad a position in seven years, as much as they might try. And that is another point. Why are we fighting this recession? Why are we asking the lowest paid people in the Public Service to contribute? We are not asking others to contribute.

There was a story in *The Toronto Star* that I used the other day where the recession is the headline: "The recession does not hurt bosses' pay." A survey shows Toronto executive raises averaged 7.7 per cent in 1990. That is the increase in pay. It was less than they expected, but then the bonuses, of course, made up for it to some extent. Bonuses were targeted last year at an average 46 per cent on a base salary of $131,200. The bonus last year for them was only $44,608 each. Why not ask them to contribute to the recession? It is only the ones we can get at so easily, the ones at the bottom.

We have to defeat this legislation if it comes to a vote, but I hope, Madam Speaker, that will not happen. I hope the legislation will be withdrawn, that another way out of this will be found, and all Canadians will be the better off for it.

Mr. Felix Holtmann (Portage—Interlake): Madam Speaker, it was most interesting to hear the hon. member for Nanaimo—Cowichan reflect on his position and that of his party with respect to the bill and the legislation that is before us today.

I am going to put a very simple question to my colleague in the House. I just received from a little weekly newspaper in my district up in the Interlake of Manitoba over my fax machine a paper article about the effects the strike is having on the grain farmer. The headline says: "Grain plugs elevators". Just a little article in today's paper said:

> Elevator managers Frank Fiarchuk in Arborg and Guy Bernier at Fisher Branch said operations were at a standstill with little to do other than field calls from impatient farmers wanting to know when they could bring grain in.
>
> "There is not much sympathy around here for the civil servants," said Bernier, referring to the nation-wide strike by members of the Public Service Alliance of Canada, protesting a zero per cent increase in their salaries.
>
> "While farmers have had to take a 30 per cent cut, the civil servants are being asked to have their incomes frozen once in their lifetime. Producers are saying that the government had better legislate them back to work—

One thousand farmers at a meeting in Manitoba suggested this is the same situation.

These are ordinary Canadians who are trying to make a livelihood, trying to just make a living. In the fall they are to deliver their grain. He knows how seriously the markets have gone down in value for grain farmers. The question I ask: are these producers not within their rights to demand that these people return to work in the way we are going to legislate them back? Perhaps at some other given time we could maybe bring back a higher return on their wages. Nobody likes strikes. I do not like this strike. I do not think anybody in this room likes to see this happen.

I can recall, as can members opposite, that I was a farmer when the Liberal administration brought in the six and five per cent. You remember that too. I was absolutely shocked when they broke their own rules. The question then is: Here is some grassroots representation suggesting that the government does, in fact, legislate these people back to work, and do you not accept that they have an important cause to be concerned about as well?

Mr. Stupich: Madam Speaker, I appreciate the question as it gives me an opportunity to add a little to what I said. I would just like to say to the member that now he has participated in the debate in this House, now that he knows we are debating a motion that says this will come to a head next Monday—which is five days from now—then the bill will go to the Senate. Who knows how long

or how short it will be there. In other words, it could easily be a week at least before anything is done legislatively. But he knows that his government could have a year ago easily made all of those people essential employees, when there would have been no cessation of grain shipping. He knows that this government could have recalled us a week earlier if it really wanted to get on with this, and chose not to do it. Where was his voice then?

I am sure he will go back and tell his constituents all those items so that they will know it was the Tories that held this up, not the opposition.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I have a brief question for the hon. member for Nanaimo—Cowichan. I listened to his remarks and he made a lot of sense. But I would just like to ask him a very specific question.

In Toronto right now we have almost a total shutdown of our economy because of the Toronto Transit Commission strike. The question that I would like to ask him is this. What kind of advice will he be giving to the Premier of Ontario to settle this strike?

Mr. Stupich: Madam Speaker, the first moment that the Premier of Ontario asks me for my advice I will give it to him.

Mr. John Brewin (Victoria): Madam Speaker, I have a brief comment with a question to my friend from Nanaimo—Cowichan. First of all, let me congratulate the members of the Public Service Alliance of Canada, especially if I can in Victoria, for the tremendous solidarity they have shown through this strike and the tremendous victory they have really won with the public and I think eventually with the government on this. They went out on strike to call on the government to negotiate, not legislate, and that point, I think, is finally getting through. They won widespread public support and understanding for their cause and I think they are to be congratulated.

When I was on the picket line I found that many of them were there for the first time, they had never been on strike before. They were terribly angry at this government in the way it was treating them and treating their fellow workers.

So I congratulate those who have been on strike. I think the government is finally getting the message that something has to be done and it is time to get back to the bargaining table.

My question to the member is really this, and goes to the human rights and pay equity issues in this. Many of the people who are on the line spoke to me about pay equity. This is a very, very important issue to those who are on the line. They have said to me that they want a message delivered to this Parliament that pay equity is important for the people in the Public Service of Canada who do such a tremendous job for the people of Canada. Could the member outline to us the recommendations of the Human Rights Commission on this and give us his comments on this aspect of this dispute?

Mr. Stupich: I recall seeing three conciliation board reports dealing with this issue, and one of them recommended an increase of some 6 per cent as being reasonable under the circumstances. It would be my hope that whatever amount of money is available, from whatever source, in the event that we get to that, that the money would be used in a way that would bring up the people at the bottom—and, of course, that is dealing mostly with the ones who are suffering from pay inequity. I would like to see that happen. Now, again, my advice has not been sought on this, but certainly, Madam Speaker, I think all of us would like to see more progress towards equal pay for work of equal value, and I would hope that the money would go primarily towards that.

[*Translation*]

Mr. Lapierre: Madam Speaker, point of order.

Madam Deputy Speaker: The hon. member for Shefford on a point of order.

Mr. Lapierre: Madam Speaker, I am worried. I wonder if the speeches being made now are for the gallery. Has the government resigned? No minister is present. Could you tell me whether this country still has a government?

• (1620)

Madam Deputy Speaker: I see that the hon. member for Shefford has not lost his sense of humour over the summer. Resuming debate, the hon. member for Winnipeg South.

[*English*]

Mrs. Dorothy Dobbie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Minister of State (Agriculture): Madam Speaker, it is with a great deal of concern that I rise in the House today to speak on the necessity for this bill.

I do not think that there is anybody in Canada who wishes that we were in this position, certainly not the government. I hear from the members across that they do not wish for this either. I am sure that government employees would rather be at work than out on the picket line and facing this legislation.

The government has been compelled to introduce this legislation simply to put an end to the strike. It is a very undesirable situation that nobody wishes they were in. This activity is threatening the livelihood of Canadians and it is disrupting many of the Canadian activities that we all wish to enjoy in perfect freedom.

The fact of the matter is that Canadians cannot get their wheat to market. The farmers are dumping their crops in the field. Whole shifts of auto workers and food industry workers are unable to go to work. They are being sent home because their products are caught in lines at the border. Air service has been disrupted, and people are having a difficult time getting passports to rejoin loved ones in other parts of the world because passport offices are closed and providing only essential services.

In addition to this, incidents continue to occur on the picket line and these are things that are very intimidating to the average Canadian. For example, government workers who are part of the essential service and who are supposed to go to work are intimidated from crossing the picket lines, and I think this is a matter of great stress to them.

As well, the elderly, the disabled and others who go out to do daily business and happen to have business in a building that may house government workers are intimidated when they see loud picketers carrying two–by–fours and waving signs angrily, forming a human barrier between the individual and their goal. It is very intimidating for them.

These are things that I think nobody here wants to see continued. This bill will extend the collective agreements of the Public Service workers, and therefore eliminate the legal right to strike.

The bill will also provide fines for unions and those public workers who do not abide by the legislation. As well, this bill will enable the government to implement the wage restraint programs that it must implement since it was not able to negotiate these restraint programs in the collective bargaining process.

Indeed, the leaders of the Public Service Alliance of Canada, which is the largest government union, have steadfastly rejected the government's budget decision. It has rejected all attempts to resolve the situation and to avoid a strike. The Alliance negotiators have refused to lower their earlier demands. These demands increase the cost to the taxpayer by about 40 per cent.

They have insisted that there cannot be any agreement on wages. They could not reach agreement on wages without major concessions concerning things that would very much affect the ability of taxpayers to bear the burden. They want full job security, for example, in their collective agreements. They want the elimination of regional rates of pay. They want capitulation to the union's idea of equal pay for work of equal value, for pay equity, and they want a permanent end to the government's ability to contract out and to have the flexibility to hire at peak times when that becomes necessary. In addition to all of this as you have heard, they want economic increases equivalent to the increase in the cost of living.

The additional demands and the costs associated with the demands of the Alliance are clearly right now not affordable to the Canadian taxpayer. I think that most members, if they were being very direct and very honest, would agree. Nevertheless the Alliance called a general strike. It is telling that their leader has vowed that he will disobey the law and that he is prepared to go to jail if this legislation is passed. There are, I believe, many law–abiding civil servants in the Public Service and clearly PSAC's leader does not represent that element.

The reasoning behind the wage restraints is very simple and very well founded. Right now, and recently during the height of the recent recession, the high interest rate period, many informed taxpayers, many economists and many members of the business community and general public have continually demanded that

government reduce its spending and that it take other measures to restore confidence in the Canadian economy.

We have also been asked to set an example, to get our own house in order in order to improve Canada's position and to help ensure in the future that we will be competitive, which will eventually result in more jobs for everyone in the country of Canada. Our response has been decisive but I believe it has also been balanced. We are determined to achieve maximum over-all improvement and to protect the interest of taxpayers while we reduce the effect on the individual employee.

That is why in the February budget speech the government announced the tough but vital package to cut the cost of its programs, to reduce the deficit, to reduce the rate of inflation, to create jobs and to create and to improve Canada's competitive position. These measures included a freeze on the operating costs of government, plain and simple. As a result salaries of employees, managers and federal services are being frozen this year. Salary increases will be held to 3 per cent this year and 3 per cent the following year. Salaries have also been frozen for the Prime Minister and his ministers, and MPs will shoulder their share of the burden as well with no increase next year.

The government's actions send a very strong signal to other levels of government and to other employees and employers that government will control its own spending and that we together can keep inflation down. In fact, other sectors have accepted this signal. Since the budget, seven provinces have also introduced wage restraint measures.

Taxpayers across the country want to see the country's financial house in order and they can see that the budget measures are beginning to benefit all Canadians.

Though unemployment levels are not yet reduced to acceptable levels, as the recent lay-offs at the airlines will certainly attest, we have made some progress. Interest rates are down, housing starts have showed a healthy increase this spring, business investment is up, use of plant facilities is up and trade figures are improving.

I understand that some public servants and their unions find this wage restraint program very difficult to accept. It is not a question of what individuals deserve. It is a question of what we have to do. I believe that the majority of public servants are dedicated individuals with families to support like the rest of us, but they understand these measures are necessary. Unfortunately, zero per cent is all the taxpayers of Canada can afford this year.

I know that federal public employees live in the real world. They pay taxes just like everyone else. I am convinced that many of these, if not their union leaders, realize and can accept why the government has had to take these tough measures. They know that these are temporary but necessary measures to control the government's wage bill and that bill of course is borne by all taxpayers including public servants and they know that it is important to help us reduce the deficit.

Most federal employees know that they already make a relatively good living as well.

• (1630)

I do not want to overstate it, but public employees work in safe environments, they have good pensions, they earn more on the average of $33,000 a year than most Canadians at $27,000 a year, and they enjoy a large measure of job security. There have been only 1,500 involuntary lay-offs in the work force of the Public Service out of about 315,000 employees. Despite the five year downsizing program that this government has been engaged in, I think that is a pretty good record.

I think hon. members would agree that few employees anywhere have better job opportunities than they have in the Public Service. Without fear of exaggeration I dare say that a million and a half out-of-work Canadians, including those who have recently been laid off at the railroads, would gladly trade a zero per cent increase this year for a job.

This is a very desirable place to work. Close to a quarter of a million Canadians, in fact 222,000, applied for jobs in the federal Public Service last year. That is a

38 per cent increase over the applicants the year before, so clearly this is a desirable place to work.

We cannot hire all of them. Only 11,000 appointments were made to the Public Service and that means about one in every 100 applicants was successful. It is pretty clear, as I said before, that federal government jobs are good jobs in spite of wage restraints and that they are attractive jobs and still in high demand.

The government's approach to wage restraint has been forged as I said before out of economic necessity to protect the interests of the taxpayers and it is balanced by a desire to continue collective bargaining with our unions on other issues. There are not all monetary issues. There are other non-monetary benefits and operational issues that will benefit public employees.

The government has a fight, but the fight is not with employees of the government. The fight is against recession and against inflation and we must all share the burden for economic recovery. We are asking public employees to tighten their belts with the rest of us, with all Canadians, and help us get over this particular tough time we are facing. We are simply asking that they help do their share in keeping the inflation to a minimum and we are asking that they work with the rest of Canadians who have been having a difficult time this past year to find a way, a road map, to economic recovery.

It is not easy sometimes to not accept what one has grown used to accepting, but I do not believe there was any guarantee ever written into any law of this country that says that all Canadians have a right to receive an automatic increase in spite of what is going on with the rest of the sectors.

I am confident that public employees will want to help us get through this recession, go back to work when the legislation is passed, and build a better Canada and fight toward economic recovery.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, the member for Winnipeg South is a good member of Parliament and I have known her for her seriousness and her kindness. I know she has a heart. My question will deal with the question that begs to be answered.

I have heard several speeches today by members of the government saying that other provincial jurisdictions have imposed a freeze on public service salaries. I want to remind the House that the facts of the matter are that New Brunswick imposed a freeze and I want to read what that freeze also had. I quote from the June 7, 1991, of *The Telegraph-Journal*: "Wage Freeze becomes Law":

> The government will go ahead with its own plan for aiding low-income workers, Clavette said.

The Minister of Finance.

> Under the plan full-time employees receiving less than $17,500 a year will get a $600 bonus next year, while those earning $17,500 to $20,000 annually will receive $500.

My question is to the member from Winnipeg South, given that Bill C-29 treats everybody the same way, given that I know that she is sensitive to those who, as workers in the Public Service of Canada, are low paid. She knows, like I do, that most of them are women. In my own riding, 20 per cent of the families are single parent families, women mostly with children, earning less than $25,000. Today I have had calls from people earning less than $20,000.

Does she not believe that it would be the decent thing to do to have a kind of arrangement, a kind of an offer, a return to negotiations, a kind of opening to understanding that some public servants need to be looked after, that they are not all fat cats? Certainly she would approve of negotiations to give those people something more than zero next year with the taxes they have to pay like everybody else, with the increased inflation that we have to cope with and with all the problems that she knows exist in this country at this time.

Mrs. Dobbie: Madam Speaker, my hon. friend is correct. I would never want to characterize public servants or all public servants as fat cats. Those were never my words and I have never used them.

He used the profile of some of the members of his constituency making less than the average public servant would make as certainly not being fat cats whether they work for the Public Service. I would like to remind the hon. member that many people in the private sector make considerably less overall, based on categories, than people in the public sector.

Generally, if one looks at a clerk working for the government and a clerk working for the private sector, the disparity between the two wages is quite wide. I would remind him that those people pay taxes and their interests are also being protected here.

I might also point out to the hon. member that in addition to that, our public servants enjoy benefits that people in the private sector do not enjoy, including those of dental care, health care, eye glasses and things like that. They do get raises if they are not at the top of their category. If they start and they are within the period of time moving from the beginning wage up to their category, they get an anniversary raise. I would dare say that there are some people right now on the picket line who have or are about to receive their raise when they come back to work.

So it is not quite fair to say that we are dealing with apples and apples. When we look at poor people or people living on less than living wage in the private sector compared to those who are lowly paid in the public sector, I think the public sector have a fair advantage.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, the hon. member may never have referred to people who work for the federal government as fat cats, but I wonder if the hon. member remembers sending me a note in the House last June when Mr. Loiselle announced that if there was no settlement between Treasury Board and the alliance by September that he would impose one. The note said: "Joy, everyone in Canada, including many public servants, agrees with the government on this matter. Your opposition is just helping us. Canadians are sick of seeing their tax dollars go toward protecting well paid employees of government. So you and Daryl keep it up, you are both winning us votes." It was signed Dorothy.

The hon. member on Friday on CBC radio in Winnipeg could not remember that memo and I would be happy to provide a copy of it to the hon. member. I would hope that she would stand in this House and remember it and not try to tell us that a Dorothy from some other place, possibly Oz, wrote this memo.

Mrs. Dobbie: Madam Speaker, as the member stands in her seat, I recall writing her a facetious note last June when she was in the midst of one of her usual rhetorical speeches characterizing, in her usual exaggerated way, the activities of the government against those of the Public Service. Mr. Bean, at that point had, without even going to the negotiating table, told the public that he would not negotiate and that he would defy the government and that he would take his members out on strike. He challenged us and I responded.

• (1640)

As far as my comments are concerned, as I said they were facetious and if they offend anybody, I am fully willing to retract anything that would be offensive, but I do think they are quite true. The majority of Canadians are not in favour of this strike. The majority of Canadians would like to see us use a little restraint, as I have just spent the past 20 minutes pointing out. The majority of Canadians want to see a government strong enough and honest enough to do what is right. I cannot retract those words because I think they are just as correct now as they were then.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, I want to ask the hon. member if she agrees that in the event of a dispute between two parties that the two parties have an option to either go to arbitration or to go to court. In this particular situation the government, by refusing to go to arbitration, is admitting that it is in the wrong.

I also want to ask her if she would agree with the member for Lanark—Carleton, who on Friday called the public servants fat cats. Would she agree that the hon. member, as a member of the cabinet, should retract that statement?

Would she not agree that pay equity, morale, lack of resources and contracting out are very important subjects for the government to look at in the very near future and that it has failed to do so in the past?

Finally, would the hon. member not agree that it is extremely important before we start cutting the salaries of the public servants, especially those at the lowest end, and before we start cutting jobs all across the board, that the federal government should somehow make an assessment to find out whether we have a surplus of public servants?

Just for the information of members, I would like to add that contracting out in terms of term employees and part-time employees has increased dramatically over the past five years, which leads the public and me to believe that there is no surplus of pubic servants. I would suggest that is very positive for the government to do a proper assessment to see what we have in terms of public servants and what we really need. In my view, it will find out there is a shortage.

The hon. member and many of my colleagues on all sides of the House will recognize that in departments such as employment and immigration, foreign affairs, health and welfare and many others, there is a need for more manpower rather than less. Situations like the one we are in certainly is not helping morale at all.

Mrs. Dobbie: Madam Speaker, I will just point out to the hon. member that last year, I believe, we spent $314 million in lump sum payments to members of the Public Service for pay equity and that there is another further $76 million per year being spent to try and equalize the wages between males and females. I do not think it is fair to characterize what we are doing as nothing, because we are doing a lot. We may not be doing precisely what the union is asking, but we are doing what we should be doing.

The hon. member made a comment about contracting out. I am very glad he brought that question forward. I think there is a very big misunderstanding out there. The accounting of contracting out, the number that is published, includes all contracting out, whether it is having garbage removed or whatever. I cannot think of any number examples, but it does not just include employment. It does not just include people coming in to perform term contract work. It includes purchases and other things that are characterized as contracting out.

[*Translation*]

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

Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nepean (Mrs. Gaffney)—employment; the hon. member for Sault Ste. Marie (Mr. Butland)—the steel industry; the hon. member for Moncton (Mr. Rideout)—highways; the hon. member for New Westminster—Burnaby (Ms. Black)—the Canada Assistance Plan; the hon. member for Papineau—Saint-Michel (Mr. Ouellet)—the garment industry.

Resuming debate, the hon. member for Carleton—Gloucester.

Mr. Eugene Bellemare (Carleton—Gloucester): Madam Speaker, I welcome this opportunity to rise in the House today to defend Canada's Public Service, since these are the people who enable Parliament to function.

Through Bill C-29, this government has decided to come down on its own employees. Yesterday, in front of the Parliament Buildings, I saw the RCMP, arms linked, to protect the government against a group of public servants who only wanted to tell the public at the top of their voices that they were setting the short end of the stick and that they wanted to be treated fairly and equitably.

That is how this government treats its employees.

[*English*]

This forcing of employees back to work with threats, not with sticks luckily, not with guns but with threats of $1,000 a day fines, I find absolutely abominable.

The government has decided to fight the recession which it created itself. It is a government created recession. It wants to fight it on the backs of employees.

An hon. member: On the backs of everybody.

Mr. Bellemare: Of everybody, someone suggested from across. That is what it has been doing. It has been picking on one group. It has been picking on the other group. It has picked on the fisheries. It has picked on the forestry industry. It has picked on the grain farmers in the west. It has picked on about anything that is moving but big business.

The government has brought in the free trade agreement which encouraged people to go to the United States to buy. It encouraged trucking firms to go across the border and register. It has encouraged people to purchase across the border. It has struck the—

[*Translation*]

—the fisheries, which affected the entire industry on the Atlantic and Pacific coast.

[*English*]

The government has struck hard at the unemployed. It costs more now to be insured in the unemployment insurance, and one gets less benefits.

The lumber industry has been affected. Agriculture in Ontario and Quebec has been affected. The potato growers in P.E.I and New Brunswick, where is the government protecting them? I do not see it protecting

potato growers. The government is protecting only one group: its fat friends, big business.

Companies are all going south. Industries are moving south. It is to their advantage. Presently it is south of the border in the United States. With the free trade agreement with Mexico, it could be south of the second border.

[*Translation*]

The government is giving its public servants short shift. Public employees are there to serve the Canadian community and to look after our security and safety. This year, the RCMP will have 0 per cent. The cost of living has gone up 6.4 per cent. Meat inspectors, food inspectors and drug inspectors are being shafted by this government. Zero per cent is all they will get, while the cost of living has gone up 6.4 per cent. The government decided to increase the cost of living by introducing the Goods and Services Tax.

[*English*]

They want to reduce the deficit so they want to do it on the backs of public servants today. As a member of the Standing Committee on Public Accounts, I would like to suggest that they cut some foolishness instead, such as the junk mail they produce constantly. They produced over $25 million worth of junk mail when the budget came down. They produced and distributed it across Canada and they called it communications and education. I say that is waste, waste, waste. Imagine educating and communicating to people in a glossy form that you are going to tax and surtax them and knock them down and kick their teeth in.

I hear from across the way comments about communications and so on. I will communicate one item in particular that I saw at the public accounts committee meetings when this present government dedicated $200 million to the research of oil in eastern Canada. Most of it was wasted. One item in particular that sticks in my mind was building two bridges with no roads leading to or going away from the bridge. That is waste. Stop wasting money. They built a highway in the middle of a forest that belonged to one of their ministers. It led from nowhere to nowhere for no good reason that I could think of, except maybe to raise the value of the property.

That is the type of government we have. It protects its own, but it will bash anything and anybody that is in its way.

I find public servants to be honourable, professional people who work hard. Despite the fact that I am getting negative comments from members on the government side, I will tell them that public servants are there to serve them. They are the motor. They are the ones who protect them.

[*Translation*]

—who enforce your laws and regulations. These are the people who protect the community against fraudulent business practices. Who is going to protect us against people who want to sell tainted meat? I want to be sure my government protects me, and the people who enforce these laws are public servants. Not so long ago, you took on—

[*English*]

Not so long ago crew members of our Coast Guard ships who were making only $19,000 a year to risk their lives on the high seas saving other people were forced back to work. That is the kind of heart that they have. As a matter of fact, I would say they are heartless. That is called, in case they do not remember, search and rescue operations.

When they see airplanes crashing people out there who are not in the Public Service wonder who is inspecting the maintenance of planes? Who is checking the planes? Who is checking the fabrication of planes? What is being done to these people and their families?

Awhile ago it was mentioned that people are complaining because when they get to the airport they find a strike. Obviously, if there is a strike, it is going to be disruptive and it is going to be an annoyance. It is not the fault of the worker if there is a strike. It is because someone is terrorizing them, and that is called government terrorism. That is what it is.

When members of the public go to the pharmacy and purchase items they want to be assured that public servants are checking these drugs when they are initially produced in our country or when they are produced elsewhere and brought here. They want to know that. They want to make sure that what they are taking is correct and proper and that they do not get into

problems like the Thalidomide problem of a few years ago.

[*Translation*]

Customs officiers are supposed to protect the economy of the country. Together with the police, they are also supposed to prevent drugs from being smuggled into Canada. There are any number of criminals who would like to smuggle all kinds of things into the country like arms, rifles, machine guns and especially drugs. We need protection against these people, against these criminals. Public servants are supposed to protect us, so cannot afford to come down on these people. We cannot treat them like machines. We cannot walk all over them just because the economy is in bad shape.

When the economy is in bad shape and the rate of inflation is 6.4 per cent and they get a 0 per cent increase, that is intolerable.

The government is responsible for interest rates. When interest rates are excessively high, the provinces, the country, municipalities, school boards, and so forth, are all forced to borrow at high rates. The provinces, school boards and municipalities then have to raise their taxes to be able to pay these interest rates. About one-third of all taxes raised by municipalities, provinces, and the federal government is used to pay the interest charges on the debt.

Public servants are supposed to serve the community. These are people who work very hard and who do a good job. I know what I am talking about. I have more than 20,000 public servants in my riding, and I have met several. They have a sense of duty, and they are very much aware of the spirit and culture of this country. They want to preserve and promote all the good things in this country. I know they are hard workers. I know they are honest people. I know they are people who co-operate with their employer, with governments. I know them as dedicated people. That is the only way I know them. I don't know them the way this government knows them, and in my opinion, the government has destroyed its relationship with its employees.

[*English*]

Yesterday, the Public Service Alliance of Canada was in court with the Treasury Board. They received a decision from the Public Service Staff Relations Board that said: "The obligation provided under the Public Service Staff Relations Act to bargain in good faith and make every reasonable effort to conclude a collective agreement is not substantively different for this employer than it is for any other employer in any jurisdiction in Canada. Accordingly the board declares that the employer", meaning the Government of Canada, "has acted contrary to section 51 of the act", its own law, "and orders the employer to comply with section 51 of the act". This is an odd way to operate. Can you imagine the government being the judge and the player all at once?

• (1700)

An hon. member: Judge, jury and executioner.

Mr. Bellemare: It is the judge, the jury and the executioner.

[*Translation*]

Mr. Speaker, in concluding, I want to ask the government to be fair and equitable in the way it treats Canadians across this country.

[*English*]

—that the government not pit one group against the other and that the government be fair and equitable in its dealings especially with its own employees.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 5 p. m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

THE ENVIRONMENT

USE OF RESOURCES

Mrs. Marlene Catterall (Ottawa West): moved:

That, in the opinion of this House, the government should require each government department and agency to include in their budget submissions an accounting of the use of resources whose use or disposal has an impact on the environment and annual targets for reduction and to report any associated cost savings.

She said: Mr. Speaker, I want to begin speaking on this motion by quoting from Gro Harlem Bruntland, the chair of the World Commission on Environment and Development, the landmark report that gave us the concept of sustainable development. To put it in every simple terms, it says that we do not have a paper industry if we do not have any trees left. Our economy depends

on preserving our environment just as our environment depends on good economic practices.

With this principle in mind and with Canadians from coast to coast making a conscious effort to turn off lights in empty rooms, not run water, recycle as much as possible, one has to ask what is the federal government doing to keep tabs on its own wasteful or responsible environmental habits.

Last fall government members described as premature my private member's motion to establish the function of an environmental auditor general with responsibility for reporting environmentally unsound practices within federal government operations and recommending obviously positive improvements.

There is another opportunity this evening to show that government is prepared not only to legislate but to lead and that there is a real commitment to greening the government. I am seeking the support of all parliamentarians for a motion now that proposes a much more simple process that can be simply integrated into our existing budget process. What is proposed is progressive action that can save money, deal with the debt and the deficit, and help the environment.

The motion before us is that every federal department or agency should include in its annual budget an accounting of how much it spends on resources where the use or disposal of those resources has an impact on the environment, including setting annual targets for reduction and reporting yearly on how much money is saved.

Private sector companies are already realizing phenomenal savings and phenomenal increases in productivity and efficiency from pollution prevention. The 3M company, for instance, started with a program to reduce waste, reduce costs and improve efficiency called its world-wide 3P program—Pollution Prevention Pays. This program has resulted in savings of $25 million in the first year and a total to date of $500 million in new annual savings. That is counting savings only in the first year in which they occur, not in every year thereafter when they recur.

As the green plan pointed out, the federal government is the largest single business in Canada. It purchases more than $9 billion each year of commercial, consumer and industrial goods. Cutting just 10 per cent from that bill would mean a 3 per cent reduction in the annual deficit.

A preliminary inquiry to a sampling of departments revealed some surprising opportunities for reducing the depletion of natural resources and damage to the earth's ecosystem caused by government operations while saving large amounts of money.

Transport Canada, for example, consumes a whopping $41.8 million in energy for buildings and vehicles annually. Environment Canada, one of our smaller departments, adds nearly $14 million to the taxpayers' energy bill every year. Cutting back in energy usage across operations would save money and would cut the impact of operations on global climate change, ozone depletion, and postpone or eliminate the need for new and expensive electricity generation.

Paper use is another frontier for saving both dollars and the environment. We have to remember that every time we use a resource we have multiple impact. We have the impact of drawing the resource from the environment. We have the impact of the cost of that resource. We have the impact on the environment during the course of its use in the case of energy for instance, and we have the impact of disposing of it.

Environment Canada alone spends $2 million for paper every year, representing depletion of forest resources, damage to waterways in the manufacturing process, energy costs to process and then haul it away as garbage and an unnecessary load on landfill sites.

The costs of garbage disposal, water, sewage and virtually all products used in government operations, if we do not use them carefully and wisely, all these products derive from natural resources. Their use can be cut back by a careful look at how much is being used, how much it is costing and how we, too, like private sector companies, can reduce waste and be more productive and more efficient.

We recognize that the federal government is the major business in many communities across Canada. In this particular community of the national capital region it happens to be the largest business. But in many communities across Canada it is a considerable consumer of resources and generator of waste. Yet we do not participate in community blue-box programs across Canada and we are not providing leadership in those communities where we are a major influence in community

reduction of the waste of resources and the damage to the environment.

Private companies are scrambling to do this kind of thing in their own operations, because, as 3M has demonstrated, employees quickly rise to the challenge of finding innovative ways to cut the waste of both dollars and resources. The workplace then becomes another way to answer "what can I do about the environment?" Most importantly companies are hiring consultants at a great pace to say: How can you help us save money by saving on resources and saving the environment? They are becoming responsible for their environmental stewardship and they are finding they are saving a lot of money in the process. Why not the federal government?

The federal government must lead by doing and where better for that leadership to start than by Parliament giving government departments a clear message that they and everyone who works for government must take responsibility for the environment and must take responsibility for the waste of resources.

I am therefore seeking the support of members on all sides of the House in having this motion approved. I would like to conclude by saying that we have to legislate on the environment, and we have to sometimes force people to do the right thing. Here we have an opportunity to provide leadership, not just legislation.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I would like to commend the member for her initiative in the House of Commons on this very important environmental matter. The motion and the words we have just heard are certainly foremost in the progressive environmental thinking in Canada. Her initiative is correct, and at the right place at the right time.

• (1710)

Previous governments and this government have created a very large, strong body of environmental legislation, and that legislation is followed of course with regulations and standards. After the regulations and the standards, there is the implementation process.

Following the implementation process, I think we have too large a body of law in all fields because it is not necessarily fully employed and in force.

There will never be the employment or enforcement of new laws if there is not someone who has to provide accountability or some kind of an audit format. The audit format is something that is certainly coming to environmental law.

I remember in 1979 bringing before this House the first bill on compulsory environmental assessment. No one would even second the motion at that time because it was something that was still to come. Of course, I am very pleased that the House of Commons has passed compulsory environmental impact legislation now.

As I look back at that 1979 private members' bill that gave forward direction coming from the hon. member in her call for audit and accountability of legislation once it is passed.

I want the member to know that the government fully supports the concept of federal departments being accountable for their use of resources from the environmental perspective.

The green plan clearly emphasizes that every Canadian, each and every one of us, has a role to play in achieving the goal of sustainable development, that everyone is accountable for the impact of their actions as individuals on the environment. Therefore, it is only logical that in the green plan the federal government specifically acknowledged the need to demonstrate its commitment to sustainable development by making federal operations a model for that kind of development.

That was recognized even in the House of Commons by you, Mr. Speaker, in the fine work that you have done in bringing the House of Commons forward as an example of sustainable development in every way that all of us from the committee to the House of Commons could think of.

The government must lead by example. It can lead by advocating. It can lead by legislation. It can lead by programs, but first and foremost it must show the way by example. That example of course has to be followed with audit, otherwise it becomes relatively meaningless and people's initial enthusiasm soon wanes.

The government is committed to adopting a comprehensive code of environmental stewardship covering all areas of federal operations and activities. This code will integrate environmental concerns into both policy and

program planning as well as day-to-day operations of the federal Government of Canada across our land.

It will also ensure that operations and activities of the federal government not only meet but exceed the standards and practices that the government recommends to others. Indeed, this is a tall order but it is a strong objective that we must put and hold forward in front of us all the time, working towards.

Like the green plan itself, the stewardship initiative will be comprehensive, covering a wide range of issues rather than just one or two environmental areas. It is also similar to the green plan by taking a long-term approach, recognizing that there is no overnight solution.

This involved not just the changing of law, but in fact it involves the changing of attitude of legislators, of Canadians and the whole society needs to start thinking in these environmental terms.

It is not going to be easy to change these attitudes, but if we do not start now, it of course is never going to occur. We have to do this in a comprehensive and methodical manner as well.

The code that we will first establish will be complimented by a list of specific targets or objectives covering a number of issues from waste generation to energy efficiency, both the kinds of things that have been talked about by the hon. member. These objectives will be government-wide, applying to all departments and all agencies. This kind of comprehensiveness was not thought of 10 years ago. I am glad to see that it is at least being thought of and I wish the government success and, in fact, being this comprehensive and all inclusive.

Because of the nature of departmental operations, some targets will be implemented to a greater extent in some departments than others. We have to recognize, in the initial years, that some departments have a greater capacity to respond than others but, of course, we have to take it as it comes and we have to be diligent to the over-all comprehensive view.

For example, only about 20 departments are custodial departments, meaning that they own real property. Of course, through that ownership, ownership is equated to control. An objective relating to real property management such as efficient water use, for example, could only be instituted by custodial departments. Therefore, we can move a little faster in these areas.

It might also be possible to realize more significant reduction in water usage in some special purpose buildings such as laboratories than others such as a general public office building where in fact we have public use of a public facility. We, again, have some limitations and that gets to the issue of educating the public generally.

Some other departments are tenants of Public Works Canada or even of the private sector. Tenant behaviour will always have a role in such initiatives, but not nearly to the same extent as facility modifications.

Each department and agency will be required to develop an environmental action plan, indicating how they will implement the code and the targets in their operation. These action plans will be made public and reports on progress will be made regularly. It will be in these plans that the unique aspects of departmental operations will be reflected since the government-wide objectives can only relate to common, environmental issues which apply to a broad scope of departmental operations.

Departmental action plans will be updated every year or, in some cases, more frequently if required. As departments assess their operations in greater depth, they will gain a better understanding of what needs to be done and appropriate time frames and cost estimates established. Some of the initial aspects of the plan will likely be assessing situations and gathering the necessary data and information to implement the targets.

To facilitate the adoption of the code and targets, an office of environmental stewardship will be established. This is a very important announcement and step to take. First of all, have to establish a structure and this will have to be done through this office of environmental stewardship. It will act as a focal point for the initiative providing co-ordination, information and guidance to the departments. It will also establish a series of stewardship directives at federal employees to raise their awareness and encourage their co-operation in implementing the codes and the target. I know we have spoken of this often in the environment committee. You can implement a program, but without an adequate education program to teach people how and why and the importance of it and to gain their commitment, in fact it will never be fully implemented. So I am very pleased that

the government is recognizing the need for educational programs in the implementation of their objectives.

This will be further supported by the development of training courses for managers and officers making environmentally related decisions in the government.

The office of environmental stewardship will also be responsible for monitoring, implementation of code and objectives and reporting on the progress that has been made. Now I want to get that across to the member in particular because in fact the function that she assesses to her bill, what she is asking for the government is agreeing to and it is setting up the environmental stewardship office and committing to a process of reporting, of monitoring, implementation of objectives and reporting on the progress being made. So, undoubtedly, she will take great pleasure in the fact that this is being accomplished.

Common barriers to achieving progress can be identified by the office and resolved. Similarily, where there are opportunities for efficiency from joint action, these can be organized because we want to be concerned about waste, about inefficiencies and we want this co-ordinated role and approach going forward to garner whatever savings we can.

• (1720)

Mr. Speaker, I see that you are giving me the time signal but this is an important government program that is being announced here today and it is in fact being announced in response to the work of this member and other members in the House of Commons who have recognized the need for auditing and the government is responding accordingly. We appreciate her initiative and look forward to it moving forward.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I would like to compliment my colleague from Ottawa West for putting forward this motion. Basically, what my colleague is putting forward is the fact that the Government of Canada put a green filter on every aspect of its operations. In other words, whether this be government purchases, government operations, that ultimately would lead to the relationship that government has in terms of its client list. We have a relationship, for example, in the Department of Supply and Services with people that supply the government. I think that we could ultimately lead to putting standards forward to the private sector.

What I think is quite significant about this motion is if the government uses all of its resources, as my colleague from Ottawa West said, the Government of Canada is really the largest company in Canada, if we can use that analogy. We are talking here of literally thousands of locations of government offices and buildings across the country: all of our national defence bases, all of our airports across Canada, those that have yet to be privatized.

Can you imagine, Mr. Speaker, if we put a green filter on every one of those units? I believe that not only would this send a signal to the rest of our community in changing their lifestyle but I see the potential here for a mammoth job creation program, a job creation program for turning this country green for our youth, for our seniors. Just think of the number of audit functions that would happen in the process of converting government. Think of the number of manufacturing opportunities just in the area related to water, the amount of water that we waste in government buildings where we have lavatories, where the systems are working on a continual basis in terms of water flow. I mean there is technology today that can change that easily, instantly and at no cost and our savings would be mammoth.

I do not really see how anyone in this House could possibly oppose this motion. We have not been really leading this environmental debate in this House. We have been pushed into moving on this debate mostly by our constituents. I think it would be a tremendous example of getting into the lead again on this issue. By using all of these resources and putting in the audit function, putting forward a program and process of accountability, obviously those people who would not participate in this would be the odd one out. Very few men or women want to be the odd ones out when it comes to the environment today.

We also want to talk about the mammoth amount of conservation. My colleague from Ottawa West talked about deficit and debt. There would be tremendous savings for the deficit if we had a very progressive attitude in terms of converting to a green filter in government institutions and government operations.

My friend Patti Carson who just recently wrote a book, *Green is Gold* went through an entire list of companies across Canada which, after their conversion or after putting the green filter on their company, found that the savings were just absolutely staggering. Not only were the savings staggering but they found that the client support, because of their conversion, was dramatic. I think that when we have such a straightforward motion as this, a motion that will lead, obviously, to all kinds of new job opportunities, this ultimately will lead to an expertise in this country that we could export. All of a sudden the Government of Canada could be converted into a world class model operation, not only in terms of ourselves, but again I repeat, linkage to the private sector and how we put standards on those suppliers to government. Boy, oh boy, could you imagine what we could do with that in terms of our relationship to countries around the world? I think that would lead to a lot of new job opportunities. Jobs that are lasting, not just make work jobs, but jobs that have a long life.

I urge all members of this House to get behind this motion and put it into a state where it is not just rhetoric but real activity.

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, I, like the distinguished member for Broadview—Greenwood, would like to participate in this motion presented by the opposition colleague from Ottawa West here this afternoon. I would like to not only commend her but also the member for Broadview—Greenwood who just spoke. These can get to be tongue twisters. We should maybe bring in a law that allows just one name for a constituency instead of four or five and we might have less difficulty with them, or call them district number 1 to 295 or something. That would work a little easier.

This is interesting. I think everyone is genuinely interested and concerned about environmental issues. There are now so many rules, regulations and laws that have been drafted. It may be argued by many that we may have too many laws and possibly others may argue that if we just implement the rules and laws we presently have with regard to the concerns that different sectors of our country and our government has with the environment, we may not have to make another one.

I listened with interest to this debate. What I have just heard probably makes a lot more sense in terms of what we could do as a government just on some very simple things such as the conservation of water. Possibly there are many other areas.

We talk about buses and ministers' cars running for hours sitting out front in the event that someone may want to jump in and go to their office. Well, they are not exactly helping the environment. We are burning all kinds of fuel, but should we pass a law stating this should not be done? I think we have to use more common sense than legislation around here and show that kind of leadership as opposed to putting it down.

My colleague mentioned the green plan. I just wanted to point out that there are some pretty positive things in that particular piece of legislation that somehow covers, I believe, what was suggested in this motion.

It says: "It is the government policy that new policies and programs coming before cabinet for a decision be subject to an environmental review". That is there. "Each minister is responsible for doing an environmental assessment of the policy and program initiative prior to any final decisions being taken by the government and public statement on the environmental implications of the initiative is to accompany the official announcement of each initiative, especially where the environmental impact is significant".

It may be argued that is not strong enough. It may be argued that it should say "on anything". Who is going to decide what is significant and what is not? I think we get into a form of words.

I can tell you there is the other side which complicates initiatives of the government and initiatives of the private sector and initiatives of business.

• (1730)

In some cases, when you have ordinary citizens objecting to a project, there are so many rules and regulations they can hold up these projects through the courts, through some piece of legislation that exists today. I had this just happen in my riding where a very, very famous, in my view, organization and one very environmentally friendly to Canada by the name of Ducks Unlimited, created a marsh in my district and created a habitat for hundreds upon thousands of geese and ducks and, I think, something like 250 species of wildlife birds. It decided to share that with the public and put an interpretive centre and its head office right in the middle of the marsh, only to find out that there were all kind of organizations saying that they were not friendly with the

environment and they were now, arguably to those people, going to in fact hurt the environment.

I tried to rationalize this. Why would an organization like that want to do it. They had environmental hearings and I participated because I basically support most of their efforts. Undoubtedly they have made some mistakes in some of their conversions of habitat and created some new problems, but I think they have a tremendous track record. Yet, unless the legislation was changed in Manitoba, it was very possible for a few individuals, only two or three sometimes, to stop an entire project that I see as being nothing but of benefit.

We have to question whether we should continue to make those kinds of rules that allow that to happen. In my view there has to be certain limits. I believe the pendulum has swung too far now in terms of all kinds of legislation to stop what I think sometimes is a very common sense approach to projects.

I am not going to take away from what is intended here because I think we all recognize that. We come here to make laws. That is what we were elected for. That is the only thing we really do. We are legislators. We make laws. But I often think we make too darned many laws. It confuses the entire operation of our country sometimes. If I have criticism of this particular piece of proposed legislation I think it is maybe just adding another law. I would hope not, but this is what I am saying. Maybe we have enough rules and regulations if we would only implement them. I think the hon. member opposite would admit that all too often we do not exercise the options available to us. She jumps up and down and says: "Is that right?" In that case, maybe I should amend her resolution.

An hon. member: It is not a law.

Mr. Holtmann: It is not a law, that is correct. The point is that Canada prides itself on being a great nation, but we have a lot of areas where we have probably neglected our environment, there is no doubt about it. We have had so many resources and so many companies in the resource industries that have violated the environment and hurt so many areas with no regard to anything but the almighty dollar. It happened to our rivers and streams in Manitoba. It happened to our Great Lakes in Ontario.

What is going to happen at Pearson International Airport? You see, Mr. Speaker, I do not know what is happening at Pearson International Airport.

I think the point is that we have to look at this in a very sensible and logical way. We are not leaders in a lot of things. We produce more garbage per capita, we are garbage producers. We produce garbage by the megatonne. Maybe we should be charging not $40 a tonne for garbage but $400 a tonne and start making people pay for that garbage.

There is a different way of looking at it because I believe just west of this great city there is a mega mountain of garbage being produced and hopefully maybe there will be a park there. My colleague says this new law will prevent it. Well, there are no assurances of that, but I am not sure that with some common sense we can produce less of this garbage, but if that could be done it would be the route to go.

I thought I would just make a few comments on that subject, Mr. Speaker, and I would not like to see us bringing in more and more rules and regulations without making sure we know what ramifications they might have on projects that are coming onstream.

Mr. Brian O'Kurley (Elk Island): Mr. Speaker, I would like to congratulate my colleague from Ottawa West. I served with her on the Commons Standing Committee on the Environment and I have a lot of respect for her motion and her motives.

The member's motion requests that the House express its view as to whether the government should require all departments and agencies to carry out environmental assessments of their budget proposals.

I have no quarrel with the hon. member's underlying objective. There is a general consensus within Canada that the key to solving our environmental problems is better environmental decision making. This was stressed throughout the green plan consultations that were held across Canada last year.

We already have in place the measures necessary to ensure sound environment decision making within the federal government. In the green plan, the federal

government announced its commitment to federal environment stewardship.

The federal government's goal is to ensure that all of its operations and procedures meet or exceed national targets and schedules for sustaining our environment.

The green plan provides for a comprehensive review of the environmental implications of existing statutes, policies, programs and regulations. Modifications will be proposed as necessary. While much of the initial work will take place over the period of 1991 to 1996, the review itself will be an ongoing process.

The government believes that the federal operations should be exemplary in meeting and frequently exceeding all national regulations and standards as well as being compatible with provincial and international environmental objectives. As the single largest business in Canada, it is the special responsibility of the federal government to lead by example.

As part of the green plan, the government will adopt a comprehensive code of environmental stewardship covering all areas of federal operations and activities. Federal departments and agencies will develop environmental action plans indicating how they will implement the code, and they will report regularly on implementation.

The code will be complemented by a list of targets or objectives. They will cover a broad range of areas from waste management to hazardous waste cleanup.

Projects involving the federal government will be subjected to the provisions of the Canadian Environmental Assessment Review bill. This bill will ensure that all federal departments and agencies conduct environmental assessments of all project proposals for which they have decision making authority and gives the Minister of the Environment substantial powers to ensure that this process is fair, efficient, transparent and allows for a high level of public input into decisions of projects which have a potentially significant impact on the natural environment.

Together, this bill and the policies of the Government of Canada will ensure that virtually every significant action considered by the government will be reviewed for its environmental implications. Canadians will have the right to either participate directly in the process or to have access to the results.

As essential as this process is, however, the government recognizes it is not enough. The federal environmental review process and its reforms will provide an effective mechanism for ensuring that environmental factors are taken into account in future decisions.

It is government policy that new policies and programs coming before cabinet for decision be subject to an environmental review. Each minister is responsible for conducting an environmental assessment of the policy and program initiative prior to any final decision being taken by the government.

Furthermore, a public statement on the expected environmental implications of the initiative is to accompany the official announcement of each initiative where the environmental impact is significant.

It is this process, for example, that will be applied to any free trade agreement with Mexico and the United States. Work is under way within the government and with the help of outside experts to develop the methods and procedures for effectively predicting and assessing the environmental effects of a policy or program initiative. I would note for the members that Canada will be among the first in the world to have such a process. Beyond these important internal measures, the government is committed to improving the ability of individuals to participate in government environmental decision-making. Such participation is essential to the environmentally sensitive decision-making. We can no longer rely solely on experts for the solutions to environmental problems. Instead we need input from a wider cross-section of the population.

• (1740)

Throughout the green plan consultation process, it was clear that Canadians wanted to be involved in major decisions that affected their lives and the lives of their children. Canada's green plan provides for ongoing consultations with Canadians as part of its regular review and updating of goals, targets, and programs. In fact, we want to build on the lessons learned during the green plan consultations to make our consultation process even more effective and to ensure even greater involvement of Canadians in the formulation and implementation of national environmental policy.

As well, we know that to be effective, Canadians need readily understandable information on the state of the environment and how it is changing in response to what we are doing. This kind of information provides them

with a sound basis to make judgments about the adequacy of current efforts, whether they be by governments, industry, or individuals.

The routine provision of high quality environmental information is a major component of the green plan. Although there is much work to be done in this complex area, we are committed to providing Canadians with the information they need to make informed decisions about their own activities and about the environmental performance of others.

The government fully supports the concept of federal departments being accountable for their use of resources from an environmental perspective. The green plan clearly emphasizes that every Canadian has a role to play in achieving the goal of sustainable development and that everyone is accountable for the impact of their actions on the environment.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Since there are no more members who want to speak, the hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

[*English*]

Mr. Angus: Point of order, Mr. Speaker. If there is no further private members' business, I am wondering if the House would agree to suspend until six o'clock as other things are evolving outside this House which will require some House time later on.

[*Translation*]

SITTING SUSPENDED

The Acting Speaker (Mr. DeBlois): Order, please. I think that with unanimous consent, we can now proceed to the adjournment debate. Without it, I am going to suspend the sitting until 6 p.m. Is there unanimity? Is there consent that we proceed to the adjournment debate?

An hon. member: No.

The Acting Speaker (Mr. DeBlois): The sitting of the House is then suspended until 6 p.m.

At 5.44 p.m., the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5.56 p.m.

* * *

BUSINESS OF THE HOUSE

BILL C–29

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, there have been discussions among the various representatives in the House and I believe you will find unanimous consent for the following motion:

> That notwithstanding any Standing Orders and usual practices of this House, the House withdraw Government Motion No. 4 after the adoption of this order and that;
>
> After the return to work of the employees of the Public Service Alliance of Canada and other related unions, proceeding on Bill C–29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, be halted immediately after second reading and not proceeded further with;
>
> Should the PSAC and Treasury Board fail to reach an agreement with ensuing public inconvenience, then Bill C–29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, would be deemed referred to a Committee of the Whole House; and that, immediately at the beginning of Government Orders the House shall begin its study at Committee of the Whole of the said bill and that all questions to dispose of the said bill at that stage and report stage be put without further debate or amendment no later than 10 p.m. that day.
>
> That the following sitting day, the House shall begin consideration at third reading to Bill C–29, and that all questions to dispose of the said bill at that stage be put without further debate or amendment no later than 10 p.m. that day.

Mr. Speaker, I should also indicate that I believe you will find unanimous consent to complete the second reading of Bill C–29 now without further debate. I might add that the vote would be deemed demanded and deferred until tomorrow at three o'clock p.m.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, just in terms of a point of clarification because there has been a fair degree of communication from the government with regards to this particular matter, I am wondering if the parliamentary secretary could confirm for members of the House that in point of fact the workers will be called back by the President of the Treasury Board for eleven o'clock tomorrow morning

and that the government and the union representatives will resume bargaining without preconditions.

I am wondering if the parliamentary secretary to the government House leader could give us some reassurance on that.

Mr. Cooper: Mr. Speaker, I can confirm that the information I have is that the employees will be going back to work and that the government representatives of Treasury Board and the union members will be returning to the bargaining table, I assume very quickly thereafter, to accomplish what they can in terms of their negotiations.

Mr. Dingwall: I have a further clarification, Mr. Speaker. President Daryl Bean to whom I spoke just a few moments ago indicated that the parties were supposed to be going to a news conference to outline these various factors. I wonder if the parliamentary secretary can confirm that both parties will be announcing shortly thereafter this particular order that in fact they will be going to press.

• (1800)

Mr. Cooper: Mr. Speaker, I can again confirm that the information I have received is that both parties will be holding a joint conference in a few minutes, which will outline the conditions and understandings that they have entered into together.

Mr. Dingwall: Finally, Mr. Speaker, in view of the fact that the parliamentary secretary has given those clarifications and those undertakings to the House, we are happy to be able to give our consent to this particular motion. They have accepted in its entirety the position of the Official Opposition.

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, first of all I want to seek clarification. The parliamentary secretary to the government House leader indicated that the vote at second reading would be deemed deferred. There is an amendment that we must deal with as well. I assume that the amendment would be included in that and the vote will be deferred until tomorrow.

I simply want to say that this motion is possible today because of a tremendous amount of co-operation on all sides, to say nothing of the tremendous work done by my colleague from Mission—Coquitlam. This is possible today because of a generosity that was shown on both the government side as well as the union side, and this is witness to that co-operation.

[*Translation*]

Mr. Lapierre: Mr. Speaker, we, members of the Bloc Quebecois, are also happy that both parties went back to the bargaining table. My colleagues, the member for Laurier-Sainte-Marie and the member for Hull-Aylmer, have asked for two days that both parties go back to the bargaining table. In that sense, we can only agree with the process started today.

However, I know that there has been lots of consultations. In our case, they did not last more than a few minutes. I hope that the government will not use that as a precedent. I know that the situation in which the parties are today is delicate, inside as well as outside the House. I know that. But I hope that there will be more cooperation in this new Parliament and session, that we will have a little more than five minutes for speeches.

So we too are happy to give our unanimous consent.

[*English*]

Mr. Cooper: Mr. Speaker, I want to thank the hon. member for the indications of co-operation. I want to also advise him that in dealing with him I never consider anything that he does with me a precedent of future behaviour. I also want to indicate that yes, it is our very clear understanding that all of the questions necessary to dispose of second reading of Bill C-29 will have deemed to have been put and deferred until tomorrow.

Mr. Speaker: Does the parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

[*Translation*]

Mr. Speaker: The House heard the motion. Is it the pleasure of the House to adopt the said motion.

Motion carried.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Sanding Order 38 deemed to have been moved.

EMPLOYMENT

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am rising this evening with regard to a question that I put forward on June 10, 1991 to the Minister of State for Youth. Unfortunately the House adjourned prior to my being able to put the question. Briefly the question asked about the difficulties faced by Canadian students, and in particular the students in my riding of Nepean, with regard to obtaining summer employment. Unfortunately this is all happening this evening after the fact. As I said earlier, I was unable to put the question before the House in June.

Rather than addressing the many youth employment problems of today, such as the large high school drop-out rate, the closing of university employment centres and the generally dismal state of the economy which this government has created for our youth, I will focus my discussion on the specific problem which existed this past summer for those students who had planned to return this fall to university.

I certainly hope they have been able to do this. It is quite possible that many of those who had those high hopes in June have been unable to do so, because they can no longer afford the increase in tuition fees, the books with the GST, their rent and their groceries for the school year.

A large source of funding provided by the Government of Canada to students is found in the Summer Employment Experience Development program which, in shortened form, is called the SEED program. The SEED program in recent years has been cut back significantly. In 1989, $118 million was allotted to the program. Last summer this figure was reduced to $77 million.

The government seems to take great pride in making it known that this year the program received a boost in funding. A more detailed examination reveals that this summer an extra $3 million only was supplemented to the fund, bringing the sum of the pool to $80 million.

The first observation to make in analysing these figures is that the funding for SEED this year still amounted to less than 70 per cent of the 1989 level of funding. Also, the $3 million increase amounts to a 2.1 per cent increase above last year's allocation. This is less than one-half the rate of inflation and means the program has actually seen a decline in real dollars that are being put into it.

I would like to give some specific examples. The National Capital Region in 1989 received an allocation of $1.4 million for the student SEED program. In both 1990 and 1991, that $1.4 million became only $424,000, a reduction of 70 per cent in the National Capital Region alone.

If I took the city of Nepean as an example, in 1989 the students received an allocation of $123,000. In 1990 and 1991 they received only $23,000.

We all know that $23,000 does not go very far to supply students in a city the size of mine with a population of 108,000 and I cannot quote the number of students going to university, but $23,000 would probably employ eight students over the summer.

If I could go further with my examples and comparisons, the two provinces I am most familiar with are the provinces of Ontario and Quebec. In Canada, the unemployment rate for students 15 to 24 years of age is 16.1 per cent. In Ontario, the average is higher than the Canadian average of 16.3 per cent. In the province of Quebec it is a couple of points higher, at 18.3 per cent.

Mr. Speaker, are you interrupting me?

The Acting Speaker (Mr. DeBlois): Your time is over. You know the rules of the late show. You have only four minutes.

Mrs. Gaffney: Mr. Speaker, could I just make a last point?

The Acting Speaker (Mr. DeBlois): Yes, quickly please.

Mrs. Gaffney: The point of the matter is that there are 9.5 million people in Ontario and 7 million in Quebec. The allocation for the province of Quebec was $18 million. The allocation for the province of Ontario is $10 million. I would like the government to seriously look at the disparities between the two provinces, between the

National Capital Region and my city of Nepean. Thank you very much, Mr. Speaker.

[*Translation*]

Mr. Marcel R. Tremblay (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, on behalf of the Minister of State for Youth, I would like to give a more complete answer to the questions raised on June 10 by the hon. member for Nepean. The hon. member suggested that the Minister of State said one thing in this House while civil servants in several departments said the opposite. Those assertions are groundless. The hon. member mixes up different things and considers that the Summer Carrier-Oriented Employment Program of the Public Service Commission is included in Challenge '91 offered by the Department of Employment and Immigration. This program is not part of Challenge, it is a federal employment program offered by the Public Service Commission of Canada.

• (1810)

Again this year, it is estimated that over 6,000 students across the country have been hired by the Public Service Commission under the Career-Oriented Summer Employment Program. To this day, most of the federal offices cooperating with this program report they are planning to hire about the same number of students this year than last year, and this does not include the Cooperative Work Education Programs within Public Service or other Public Service summer employment programs. There also they hire students.

In June, the Minister of State (Youth) was perfectly right to say that there would be more money available for students in the summer of 1991 than in the summer of last year, and this under the Challenge 91 Program. Challenge 91 has a budget of $143 million, of which $80 million have been spent this summer under the Summer Employment/Experience Development Program. This latter program has two componets, one for high scholl students and the other for postsecondary students. The number of jobs created this summer under Challenge 91 is estimated to 55,000 compared with the 52,000 created last summer. Moreover, it is expected that 16,000 other jobs will be created this summer of 1991 for young drop-outs through the Work Orientation Workshops Program. I remind you, Mr. Speaker, that 16,000 jobs had been created last year through that program.

[*English*]

STEEL INDUSTRY

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, on June 18, I asked a question of the Minister of Finance with regard to whether the federal government would be participating in an employee buy-out, or at least trying to facilitate an employee buy-out at the Algoma Steel Corporation, once the second largest steel corporation in this country. On that occasion the minister suggested that he was personally in favour but suggested it was the minister of industry who should be responsible. The minister of industry had already said it was the responsibility of the Minister of Finance.

It would appear that everybody on the government side is very supportive of such a concept. We in Sault Ste. Marie and in particular the steelworkers, the whole community in fact, would like the opportunity to facilitate an employee buy-out. The largest employee buy-out in this country.

You may say that we are breaking new ground in setting precedent, but in the United States it is an every day occurrence and facilitated by tax credits. This time we are going to give tax credits to the employees rather than the corporations.

What we are asking of the government is: Will it participate along with the Ontario government to offer complementary tax regulations, to enact amendments that could be done without changing the whole income tax act, to give the employees a break? For example, on a $3,500 investment, a $700 tax credit.

Also, employees have told me they do not want to buy the company unless it is economically viable. I think we all agree with that. You do not want to buy something that is a bad investment and a waste of your money. The employees are already giving $3 of their wages to, hopefully, as a down payment on this company, if you want to call it that.

The federal government let us down just a little while ago because it would not participate in a $10 million loan guarantee when the employees, the banks, the unions,

the parent company and the Ontario government did participate. Only the federal government said no.

I met with the finance minister this afternoon to once again appeal to him to look favourably upon tax regulations that would allow us the opportunity, just the opportunity, to involve ourselves in this employee buy-out, an initiative that I think, with imminent plant closures or plant closures that have already happened, surely the government could see its way clear to involving itself in.

I am going to ask the government to elaborate: What is it preparing to do? What is it prepared to do to encourage the people in Sault Ste. Marie and the steelworkers in Sault Ste. Marie?

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the tax system already has mechanisms to encourage share ownership by workers, namely special rules for companies that undertake in share purchase option agreements to issue shares to their employees, and a lifetime capital gains exemption structured so as to favour the acquisition of shares by employees. Mr. Speaker, these mechanisms could help facilitate the plan of workers at Algoma to buy back shares.

These mechanisms are already in place in the legislation. Therefore no amendment is required to reflect recent events such as the situation at Algoma. In fact, both mechanisms are in line with the orientation that the government has given the tax system since the reform. As you know, Mr. Speaker, the government brought in the capital gains exemption in 1985. My colleague in the opposition challenged this exemption, Mr. Speaker, but he now sees that it may be worthwhile. Its purpose is to reward success, not to offer systematic tax breaks.

Under a share purchase option agreement, employees are entitled to buy shares from their employer. If the option price is not less than the share price when the option is exercised, the mechanism yields no tax advantage. In the case of a private company which is under Canadian control at the time the option is granted, the tax benefit accruing from the fact that the call premium is lower than the stocks' value at the time of their acquisition would become taxable only when these are sold. Moreover, when an employee sells his or her stocks, only 75 per cent of the tax benefit arising from the option, that is to say the potential surplus of the value of the stocks over the option premium when they are acquired would be added to the income of the employee when the stocks are sold.

Furthermore, any increase in the value of the stocks acquired, i.e. when the option is exercised, usually represents a capital gain for the employee and, as such, entitles him or her to the lifetime exemption I referred to earlier.

British Columbia and Ontario have a tax credit system which promotes employee stock ownership. Unfortunately, Mr. Speaker, my time is already up. I would simply add, if I may, that the existing system is complex but one that employees can easily administer.

[*English*]

HIGHWAYS

Mr. George S. Rideout (Moncton): Mr. Speaker, it is a pleasure to rise and discuss the issue of the Trans-Canada Highway in the House.

I should say that on June 10, I asked a question of the minister concerning the Trans-Canada Highway and when the federal government would show its commitment to the safety and economic well-being as well as the health of all New Brunswickers by committing funds to the Trans-Canada Highway.

For those who have not had the thrill of driving on our Trans-Canada Highway in New Brunswick, it is probably the most deadly highway in Canada and one that obviously merits federal support and assistance.

There are numerous deaths on the Trans-Canada Highway, and in my question I refer to some of the headlines and to some of the people who have been killed on New Brunswick highways, particularly the Trans-Canada.

The headline of the editorial in *The Bugle*, the Woodstock newspaper back a few months ago read:"Is the Trans-Canada Highway a Killing Field?" That is about what it has become. The editorial comments further that perhaps a hotline should be set up for federal MPs in each riding so that people who see accidents on the Trans-Canada Highway call them so they would become aware of the problem and the carnage that is caused on that highway.

It is admitted by both the federal and provincial governments that it is the worst section of Trans-Canada Highway in the country. It has an adverse effect on the economy. The tourism industry and all those things that relate to highway traffic are adversely affected.

The federal government is talking about building the link to Prince Edward Island, so we will build a new superstructure that will connect Prince Edward Island with New Brunswick and there are not going to be the highways upon which to take the cars that come back and forth from the island. It does not really make a whole lot of sense to me.

The appalling thing about this whole situation is that the minister's response is that this is a provincial responsibility and really, the federal government does not have anything to do with it. Well, that is incorrect. It is the Trans-Canada Highway. It was built by a joint agreement between the federal government and the provincial governments of this country and it was to serve as a link between all parts of the country, from sea to sea to sea, and this minister's response that it is purely a provincial government problem is irresponsible in my view.

• (1820)

The provincial government of New Brunswick is exerting some efforts with respect to correcting the Trans-Canada Highway problem in New Brunswick. It was interesting to note that the premier wrote the minister immediately after seeing what the minister's response was to my question. He pointed out just exactly how much money the province put in. It had committed on the basis of the gasoline tax $32 million a year to help upgrade the Trans-Canada Highway. In addition to that, it has put forward a special fund of $100 million to be used in the construction of the Trans-Canada Highway for the years 1990, 1991, and 1992.

If you lose perspective, that is a major contribution for any province the size of New Brunswick with a population of roughly 700,000 to make to this particular problem.

In conclusion, I quote from the premier's letter: "Your predecessors in the Department of Transport as well as the Prime Minister have conceded that New Brunswick has the worst stretch of Trans-Canada Highway in the country and that is why we asked for federal government assistance, and it is not just a provincial responsibility. It is time for the federal government to assume its responsibility".

It is true.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am sure that my hon. friend opposite would want to know, and I am sure that the people of New Brunswick would want to know, that since 1977, Transport Canada has contributed nearly $283 million toward highways in New Brunswick. Indeed, New Brunswick is second only to Newfoundland in the amount of federal funds received. The provinces, which do have responsibilities here, made the decision to spend the bulk of these moneys in the province's northeastern region, on Highways 11 and 8, rather than on the Trans-Canada Highway, for which we sent them the money.

At present, the federal government has a $145 million highway improvement agreement with New Brunswick. Under this agreement approximately $67 million, or 46 per cent, will be expended on the Trans-Canada Highway and connecting links, Highways 1 and 7.

The federal government is now being asked to commit funds to upgrade New Brunswick's Trans-Canada Highway to four lanes which incidentally would require over $2 billion.

Over the past year the federal government has received requests from other provinces and territories for highway contributions totalling $14 billion. Clearly, these requests cannot be handled in an *ad hoc* manner. Highway transportation problems, whether in New Brunswick or elsewhere in the country, will have to be dealt with in the context of a national highway program.

The federal government, in co-operation with the 12 provincial and territorial governments, is actively examining the magnitude of this problem. No decisions concerning the upgrading of New Brunswick's Trans-Canada Highway, nor any other portion of the national highway system, can be made until this process is complete.

We have a duty, especially in this period of budgetary constraint, to ensure that federal highway funds are spent wisely.

Adjournment Debate

CANADA ASSISTANCE PLAN

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, some time go I asked a question about the government's hypocrisy in announcing a four-year $136 million program to fight family violence while, at the same time, cutting $155 million over two years in transfer payments to the provinces. Only $49 million of that family violence program is to be spent before the next election.

It does not take a mathematician to figure out that the Tories are cutting three times the amount that they are dishing out.

In fact the $155 million figure for losses in transfer payments is actually the government's own figure. The provinces estimate that they are losing some $2 billion in transfer payments.

The Canada Assistance Plan funds child care, shelters for battered women, and funds social assistance.

Why is the government fighting the deficit on the backs of battered women, on the backs of children, and on the backs of the poor in this country?

The former finance minister said the government is making these cuts so our children will not have to pay later. But our children are paying right now, children who are alone at home or in haphazard or dangerous child-care situations because there is no child care. Their families cannot find child care. Children who line up with their single mothers in a food bank line-up are paying right now. These are the people who in fact do pay for this government's policies.

The Conservative philosophy fundamentally seems to misunderstand what social assistance is all about. It is not to throw out scraps of money at people so that they can just scrape by, their self-esteem disintegrating day by day. It is there to help people to get back on their feet and to become self-sufficient. It is there to ensure that children do not go to school hungry and that they have a real chance in life. It is there to train people so that they have the skills and the education necessary to participate in the job market. These are investments for the future and you cannot build a strong economy without them. You cannot build a strong economy by leaving children without care, hungry so that they grow up on the fringes of society, chronically on social assistance or in conflict with the law. This is not the way to reduce the deficit.

The Tory way will only enlarge the deficit as our society attempts to cope in the future with increasing crime and violence in our society. The government has a choice now to help create high income taxpayers for the future or to create another cycle of poverty. In capping the Canada Assistance Plan, it has opted for the latter.

Let us have a national child care program now. The quality, affordability and accessibility of Canada's child care will ultimately determine what kind of future we have for our children when they become adults, not this maniacal bent that the government is on of ineffective debt reduction schemes.

Many women are turned away from shelters for battered women. Children do not have the child care they need. This government has put a ceiling on the Canada Assistance Plan in three provinces in this country. Those children are just as needy as children in any other part of this country. Those women who are battered and abused are just as much in need of shelter as women who are badly treated in other parts of this country. It is time that this government took those concerns seriously and reversed its wrong-headed policy of cutting back on transfer payments to the provinces.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I know the hon. member for New Westminster—Burnaby knows, but I really want to tell the House or just perhaps remind them, that on August 15 the government reaffirmed its commitment to put an end to violence against women with the announcement of the establishment of the Canadian panel on violence against women. The member certainly contributed a great deal of time and effort with regard to the establishment of this panel. It is going to represent Canada's best knowledge, experience, sensitivity and leadership on the issue. It is co-chaired by Pat Marshall from Toronto, Ontario and Marthe Asselin Vaillancourt of Jonquière, Quebec. So we have two very good co-chairwomen.

This panel has a mandate to examine the issues of violence against women through an interactive, responsive and grass-roots type of dialogue. It is going to travel to large and small communities across Canada, making every effort to reach all interested persons, including the victims themselves, the victims of violence, the front-

line workers, the social service educators, providers of health care, community members and also we will be looking at the child abuse area with regard to this.

The panel is going to seek three objectives. The first one is to encourage women to identify violence from their own perspective. The second one is to heighten public awareness. A lot of people are aware and then there are those who perhaps do not really know how great this issue is within the country. The third objective, of course, is to find solutions related to the root causes of the violence against women and a particular focus on preventive measures which I think we all realize is the best route to go.

It began its operations this month and it will be reporting back to the Minister responsible for the Status of Women by December 1992, including recommendations for a plan of action along with the timeframes and the federal government's action policy.

• (1830)

The Acting Speaker (Mr. DeBlois): You have only two minutes unless the House agrees to more time. The hon. member for Papineau—Saint-Michel.

[*Translation*]

GARMENT INDUSTRY

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, following a meeting with the Quebec Joint Committee of the International Ladies' Garment Workers' Union, I put a question to the Minister of Labour, in this House, on May 17. Basically, I asked him to review the regulations of the POWA, that is the Program for Older Worker Adjustment, a program for workers who have been laid off and, because of their age and lack of skills, have little or no chance to find a new job. The Minister told me then he wanted to discuss the issue with his colleague, the Quebec Minister, in order to revise the regulations and find a way to better help laid-off workers, especially in the Montreal area.

Well, I read a press communique released by the Minister of Labour, announcing that assistance would be provided to about 275 older workers laid off in the Province of Quebec. Among them employees of only five businesses which had to close in the Montreal area. I would like to congratulate the Minister. Obviously, helping five people is better than helping no one at all. However, I have to remind him that, with all the various problems in the Montreal area and throughout Quebec, helping 275 laid-off workers is really not enough. I would invite him to review the regulations as soon as possible.

In the beginning, POWA was an exclusively federal program, entirely financed by the Canadian government which could decide all by itself who would receive assistance and who would not. I do not want the Minister to tell me today that he has to consult Quebec before deciding who to help in that province. It may have been a good thing to ask the Quebec government to pay 30 per cent of the expenses.

If the federal government does not pay the entire bill, that is fine. But if it pays 70 per cent of it, it should be able to make the appropriate decisions in order to ensure that a much greater number of Quebecers and especially Montrealers who are now unemployed benefit from this program. Finally, should I remind the minister of an article signed by Jean-Philippe Décarie in today's edition of the *Journal de Montréal*, which reads as follows: "Nobody gives a damn about Montreal. The Montreal area, which goes from one disaster to another, found out once again yesterday that it has no political weight in Ottawa to protect its industrial assets and its labour force, even if it is highly qualified."

I hope the minister read that article and I hope he is able to announce measures in order to help those ex-employees, the 2,000 employees from Vickers, from Canadian Steel Foundries, from Chem-Tech. I hope he does something about the 15,000 jobs or so that were lost during the last year in the textile industry, particularly in the northern part of Montreal. We must help not only those 275 persons, but the 20,000 who lost their jobs because the Tory government does not have any progressive policies.

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, as a former Labour minister, the hon. member for Papineau—Saint-Michel knows that POWA, the Program for Older Worker Adjustment, is a last resort program designed to assist older workers who have been permanently laid off and have no prospects for re-employment.

Lay-offs in private industry and commercial Crown corporations are considered under POWA.

The hon. member for Papineau—Saint-Michel raised a question concerning the coverage under POWA of workers laid off due to plant closures in the Montreal region. Under POWA we have been able to help many older workers who would otherwise suffer severe financial hardship.

In the first two and half years of the program's operations, a total of $64.4 million of POWA benefits went to beneficiaries in Quebec, with the federal government contributing $45.1 million. Under POWA, the Montreal region has benefitted from $37.2 million in assistance for 808 older workers affected by major lay-offs. This represents 58 per cent of Quebec POWA beneficiaries and one-third of all beneficiaries across Canada.

Eligible older workers from lay-offs designated under POWA will receive assistance under the program till they reach the age of 65. Officials of the Canada-Quebec POWA Committee continue to gather the facts regarding lay-offs at a number of establishments in the Montreal region. As the committee completes the analyses of these lay-offs, I will re-evaluate the findings along with my counterpart, the hon. André Bourbeau, and at that time we will ensure that as many workers as possible will be eligible for POWA, always bearing in mind budgetary restrictions.

In concluding, Mr. Speaker, perhaps I may remind the hon. member, who was a very influential minister in the Liberal Cabinet at the beginning of the eighties, that if at the time his government had done more to help industries in the Montreal area, including the petrochemical industry, perhaps we would not be in the kind of situation we are in today.

Mr. Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24 (1).

The House adjourned at 6.36 p.m.

HOUSE OF COMMONS

Wednesday, September 18, 1991

The House met at 2 p.m.

Prayers

[*English*]

PRIVILEGE

ALLEGED UNPARLIAMENTARY EXPRESSION

Mr. Speaker: I wish to draw to the attention of the House the hon. member for Burlington is rising on a question of personal privilege which arose out of a matter that was brought to my attention yesterday. I want to say to the House that I view the matter that was raised as grave and serious. I will hear the hon. member.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Thank you, Mr. Speaker.

Following the controversy over my remarks in the House in addressing the hon. member for Hamilton East, I have had an opportunity to review the television tape and wish to address the House on a point of personal privilege. I lost my temper and said something I should not have said. What is most unfortunate is that my choice of words has offended the hon. member and also has offended the temper of the House. I unequivocally apologize to the hon. member for Hamilton East and to all other hon. members who may have felt maligned by my remarks. I completely withdraw all of those comments made by me yesterday.

Mr. Speaker, I regret this incident and I want to assure all my colleagues of my respect for this institution.

Mr. Speaker: The hon. member for Cape Breton—East Richmond wishes to rise on the same matter.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the hon. member for Hamilton East is currently on her way to northern Ontario. However, she has advised me that she is prepared to accept an apology on this matter. But I would like to point out that while the hon. member for Hamilton East is prepared to accept this particular apology on this specific incident, the issue I believe before the House is far greater than that specific remark. The issue is the way in which women members of Parliament, indeed all women employees of the House of Commons, are treated by men.

Mr. Speaker: It may very well be that the hon. member and the hon. member who is unable to be here, the hon. member for Hamilton East, may wish to take up the issue of the treatment of any particular person in the House or group of people, but I am very much of the view that this probably is not the proper time to do it. I would ask the hon. member for Cape Breton—East Richmond to conclude his remarks. I certainly feel that it is appropriate that he is able to speak within the limitations of this particular specific issue on behalf of the hon. member for Hamilton East.

Mr. Dingwall: Mr. Speaker, very briefly then, I will conclude. As I indicated to you yesterday, I would hope that you would review the tape. I would ask that you as the Speaker of this House review what has happened and to issue a statement to the House on a matter which is very serious, not only to the hon. member but, we believe, to all women.

Mr. Speaker: I want to remind the House and all who are listening that there is a long and ancient tradition in this place that when someone has erred and they come before the House and they unequivocally withdraw, and do more than that and extend an apology to the person whom they have perhaps maligned, or at least offended, and to the whole House, that has to be the end of that specific issue.

I indicated in my remarks a few minutes ago that I view what happened yesterday, and these are the words I said: "as grave and serious" and I think I would have the support of almost all hon. members in using those words.

The hon. member for Burlington has looked carefully at the words he has just expressed and has most unequivocally withdrawn all his comments—not just some of them—but all his comments and has given an abject apology not only to the hon. member for Hamilton East who, as the hon. member for Cape Breton—East Richmond says accepts that, but also an apology to the House.

The hon. member for Cape Breton—East Richmond is raising another matter which may very well be appropriate to raise at another time on another occasion, but I would ask the support of all hon. members at this time in remembering that what is taking place here is consistent with the traditions of this place. I have to say that in my view, because as I have said I think it was a grave and serious matter yesterday, it was very important that it be clarified and dealt with at the very earliest opportunity.

I am going to proceed with statements by members, but I want to advise the House that the time that has been taken for this will be extended to both statements and to the Question Period.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

YUGOSLAVIA

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, the Yugoslavian presidency under Stipe Mesic and the people of war torn Croatia have called on the international community and the United Nations to establish a peacekeeping force in Yugoslavia following what they have described as a military coup.

Croatian-Canadians in my riding and from across Canada want their government to do everything possible to help their relatives and friends in Croatia. In light of the daily bombings, razing of villages and death at the hands of break-away Yugoslav forces, Canada can no longer stand by and watch.

Given the admitted failure of the European Community observer mission, I urge the Government of Canada to use its influence at the United Nations General Assembly, the UN Human Rights Commission and its seat on the UN Security Council to bring about peace in war-town Croatia by immediately calling for the establishment of a United Nations peacekeeping force in that republic.

* * *

THE SENATE

Hon. Alan Redway (Don Valley East): Mr. Speaker, Australia has a federal parliamentary system. It also has a Triple-E senate. Australian senators are elected on the basis of proportional representation and not on a plurality vote. This guarantees that the political composition of their Senate will differ from their Lower House.

Each Australian state has an equal number of senators. Their Senate, because of its proportional representation and its veto power, requires their cabinet to publicly convince senators and members of Parliament of the need for each piece of proposed legislation.

If Canada followed the Australian model, our reformed Senate could be proportionally elected. Each region—rather than each province—could have an equal number of senators and with veto power our Triple-E Senate could effectively ensure that our cabinet is responsible to Parliament in practice as well as in theory and, at the same time, by creating a more open process help to restore Canadians' faith in our political system.

* * *

WOLVERINE TUBE

Ms. Dawn Black (New Westminster—Burnaby): Mr. Speaker, in New Westminster, we are reeling from the blow dealt by Wolverine Tube. They are shutting down their factory, a key source of revenue and jobs.

To save the plant, employees went out and found a buyer. It is a progressive plan, a joint venture between business, unions and employees. Everyone would benefit. Jobs and revenue would stay and the company would get a good return on its investment.

Wolverine had a surprising reaction. They rejected the offer to purchase and insisted on closing the plant. Wolverine also stated they did not want any competition.

• (1410)

Since Wolverine bought this plant, the Bureau of Competition policy has monitored the acquisition. Evidently its work is not over.

The facts lead to only one conclusion: A full tribunal must be ordered by the minister responsible. The anti-competition allegations cannot be ignored any longer. It is a critical issue.

Wolverine is threatening to dismantle this plant today. Will the Minister of Consumer and Corporate Affairs use his authority under the Competition Act to reopen this investigation immediately?

* * *

[*Translation*]

QUEBEC'S ECONOMY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, last week the Quebec Liberal Minister of Industry, Trade and Technology, Gérald Tremblay, described in alarming terms Quebec's economic situation with respect to productivity at the industrial relations consultants' convention. He based his reading on the fact that Quebec companies are behind in productivity, job training and research and development.

Mr. Tremblay predicted that if Quebec did not start to solve its problems right away, capital and the most mobile human resources would leave. He said that Quebec's quality of life would diminish considerably and that government deficits made it impossible to improve the quality of services and to reduce the dramatic impact of unemployment and poverty.

* * *

[*English*]

CRIME

Mr. John Nunziata (York South—Weston): Mr. Speaker, the metropolitan Toronto police department is one of the finest police forces anywhere in the world.

According to a public opinion poll last week, 89 per cent of Toronto residents felt that the metro police force was doing a good job.

Unfortunately, however, in spite of the very fine efforts of the metro police, crime is on the increase in Toronto. Drug offences are up 22 per cent. Robberies are committed at a higher rate than last year. The murder rate is higher than it has ever been. The public is very concerned and frightened about drugs, crime and the safety of their children in their very own neighbourhoods.

The police are doing as much as they can with the resources they have. Local police forces across the country are busy busting drug dealers, only to see the federal government lay claim to the confiscated money and property. This is unfair.

I call on the Minister of Justice to return the confiscated money and assets to local police forces across Canada. The federal government should at the very least reimburse the cost of an investigation that results in the seizure of drug assets.

Toronto is in a crime crisis and may soon be competing with Detroit and New York for the highest crime rate in North America. The federal government must take immediate action to properly provide for our front line soldiers in the war against drugs.

* * *

PUBLIC SERVICE

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker, it is just like the Liberals and the NDP to try to use the Public Service strike as a way of gaining political advantage behind the guise of compassion.

Well, we know better and the strikers know better.

We are not talking about Daryl Bean and his cohorts who insisted that the Public Service strike, no matter what the cost.

We are talking about public employees who were forced to strike out of fear of retribution.

Thanks to this government, union representatives are meeting at the bargaining table, strikers have returned to work and can resume earning the wages that keep roofs over their heads and food on the table.

Oh, you can be sure the opposition parties will try to take the credit, but we know better.

We know they would have seen the strike continue until they could squeeze every ounce of political advantage out of it.

A word of advice while they scramble to retrieve a few shreds of dignity: keep your petty political tactics inside these hallowed halls where the damage can be minimized by the Conservative government.

Mr. Speaker: The hon. member has exceeded his time.

* * *

EARTH SUMMIT

Mr. Jim Fulton (Skeena): Mr. Speaker, the Earth Summit will be held in Brazil nine months from now, chaired by a Canadian, Maurice Strong.

Canadians deeply identify with our role as UN peacekeepers, with the role of the Red Cross, with the message of Greenpeace and other Canadian environment groups.

The world must join together to struggle for peace and environmental security. The time has come for a global green cross led by Canada to take on the crisis of the oil fires and spills in Kuwait and Iraq, to clean up the damage of toxic and hazardous wastes poisoning eastern Europe, to take on the spread of deserts and deforestation, to fight the contamination of the seas and the atmosphere, to take on poverty and population, the challenge of survival. It is to that that Canadians seek leadership, not the blind business as usual of James Bay II or Kemano II, not for hundreds of millions of dollars more for Canadian nuclear reactors to Romania rather than alternate energy sources, and a reversal of global warming, not an acceleration.

It is time for a Canadian led green cross and to wage peace for a living.

* * *

THE ECONOMY

Mr. Stan Keyes (Hamilton West): Mr. Speaker, through a campaign of misinformation the Conservative government would have Canadians believe that the recession has passed us by and the so-called prosperity agenda has kicked in.

Tory prosperity is hardly a picture perfect paradise for the people in my home town. Here are the unemployment rates in Hamilton: April, 8.1 per cent; May, 8.5 per cent; June, 9.7 per cent; July, 10.8 per cent; and last month the unemployment rate matched the rate of factory closures, 11.4 per cent. That means there are 38,000 unemployed people in Hamilton.

The Minister of Finance says the recession is over. Not even his own Tory backbenchers believe it. Permit me to quote one:

> People in my riding would probably disagree with the statement that the recession is history and I couldn't disagree with them—There are a lot of jobs that have yet to be regained.

That was said by the Tory member for Halton Peel.

* * *

FOETAL ALCOHOL SYNDROME

Mr. Stan Wilbee (Delta): Mr. Speaker, during the last few years it has been discovered that the use of alcohol by women during pregnancy is responsible for the development of a condition in infants known as Foetal Alcohol Syndrome.

It is characterized by small size, physical and mental retardation and high mortality rate. It can be completely prevented by abstaining from alcohol during pregnancy. As many women are unaware of the problem, it is important that the government provide clear labelling of all alcohol products to warn of the danger.

Tobacco products contain warning labels and Canadian alcohol products exported to the U.S. must carry the label. Can we do less for Canadians?

* * *

PUBLIC SERVICE

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, it is with great relief that I rise today to celebrate the survival of free collective bargaining in Canada.

The leadership demonstrated by Daryl Bean and the Public Service Alliance, following the tremendous show of union solidarity Monday when Mr. Bean made a conciliatory gesture and announced that the lines would come down at airports and border crossings, was the first step toward getting collective bargaining back on track. That is responsible leadership.

The President of the Treasury Board's respect for the report of the Public Service Staff Relations Board was a

responsible position on the part of the minister, and he is to be congratulated.

The events of yesterday have shown that where there is good will on both sides the toughest issues can be resolved. We wish those returning to the bargaining table well and hope that the commitment to a negotiated settlement will prevail.

* * *

[*Translation*]

BILL C–29

Mr. Jacques Vien (Laurentides): Mr. Speaker, yesterday the Public Service Alliance and Treasury Board agreed to resume negotiations.

Therefore, Mr. Speaker, Bill C–29, whose purpose is the return to work of federal Public Service employees, is suspended.

Furthermore, it should be noted that Treasury Board has agreed to resume negotiations with no prior conditions, although we intend to remain firm on 0–3–3.

These are clear indications of the government's good faith and show that we have favoured negotiations to reach a settlement.

Let it be clearly understood that we will always favour discussion over confrontation to end any disagreement.

* * *

[*English*]

PUBLIC SERVICE

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, as the picket lines came down this morning, public servants returned to work and the negotiators prepared to return to the bargaining table, the question being asked is: "Who is the winner?"

Reporters anxious for a punchy headline or soundbite may identify the employer or the union or some intermediary. The truth is the Canadian public, the taxpayer, is the winner. The Public Service is back at work without adding to the deficit or increasing taxes. All of us in government are faced with zero, three and three: MPs, ministers, the Prime Minister, senior management, and PSAC.

• (1420)

Confrontation, not the Canadian way, is over. Dialogue, the Canadian passion, is resumed. Services essential to our physical and economic health will flow again. Canadians can get to and from work without hindrance. And, should it all come unstuck, Parliament is ready to act very swiftly.

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[*Translation*]

MONTREAL'S ECONOMY

Mr. Nic Leblanc (Longueuil): Mr. Speaker, last spring we had a debate on Montreal's economic problems. The minister responsible for Montreal was present, very relaxed, and considered the situation to be normal. He had to be unconscious or deaf. Disaster was looming: the transfer of many Air Canada employees from Montreal to Toronto, the move of pilot training from Montreal to Toronto, the lay–off of at least 450 Air Canada employees and others that I do not have time to list.

Mr. Speaker, for the good of Montrealers, the Prime Minister should act quickly and replace this incompetent minister—I urge him to do so.

* * *

ENVIRONMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, last June, the government announced a $1.7 million program to establish a Canadian youth secretariat that would be in charge of organizing environmental seminars across the country, to prepare Canada's youth for participation in the United Nations Conference on Environment and Development in 1992.

Preparations started in Rouyn–Noranda last June, and after a series of six regional seminars, followed by a national conference, the position taken by Canada's youth is to be announced by the middle of October. All this was possible thanks to the Green Plan.

Mr. Speaker, I want to take this opportunity to pay tribute to our youth's commitment and involvement and the high level of their discussions by young people on environmental issues. I am convinced that the proposals made by our young people will lead to a world consensus on youth's role in the struggle to protect the environment and to promote sustainable development.

[*English*]

ANTUN KIKAS

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, the Secretary of State for External Affairs has stated that her government is urging the Yugoslav army to end its use of what she calls "excessive force" in the conflict in Croatia. By this statement the minister implies that she accepts the role of the Yugoslav army but just thinks it should be limited.

The Yugoslav army, acting without legitimate political or democratic control, has bombed civilian targets and taken offensive and brutal actions that totally belie its claims to neutrality. These actions deserve the condemnation of this government.

Many Canadians are also deeply concerned about the welfare of Mr. Antun Kikas, a Canadian citizen recently captured by Yugoslav forces and reportedly tortured while in detainment. Mr. Kikas' circumstances are rife with rumour and uncertainty. Canadians who know Antun Kikas are anxiously awaiting a statement from the minister with regard to his current status and whether any steps have been taken by this government to safeguard his health, dignity and human rights.

* * *

PUBLIC SERVICE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, the major national event of yesterday was a magnanimous victory for the Canadian taxpayer. The fact that the Public Service Alliance has agreed to return to work without preconditions except for the absolute understanding that a wage settlement will not vary from the zero, three, three formula is great news for the nation's economy.

That may appear to be a tough position on the part of the government; that is because it is a tough position. However, when balanced against the one example of 150,000 prairie farmers who will be suffering economic decline for more than a decade—many have had to abandon their farms—it would be unreasonable for the government to assure absolute job security and increased salaries for about the same number of federal public servants, when the only method of payment is higher taxes or a larger debt.

Public servants ought not to be a class immune to the realities of the world. Yesterday was a great victory for government. It was a victory in the battle against deficit spending. It was a victory for the taxpayers. A win is registered for the taxpayers in Canada. Clearly from that will flow a victory for the Public Service itself.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN PASSPORT

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Canadians realize how important a passport is.

When new Canadians receive their passports, it is probably the greatest event of their lives. Today, however, this document is also coveted by drug traffickers and fugitives of every kind.

I wonder whether the Prime Minister could tell us when his government became aware of this disastrous situation and what it intends to do about it.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we are well aware of the passport problem.

A Canadian passport is coveted the world over, and the problem is that it is a very popular item with thieves and people of that ilk.

[*English*]

I want to point out to the hon. member and Leader of the Opposition that security is a crucial element in the development of our passport policies. We try to provide good service for those who require passports. We issue 1.2 million passports a year. We are very concerned by the allegations about the Canadian passport and we are investigating them.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to know from the Prime Minister if he will answer some of these questions.

The very people who are putting crack and cocaine in the hands of the children in our school yards are the same people today who are using the Canadian passport as a calling card.

When was the government made aware of this situation? Which ministers were aware of it? Why has nothing been done about this horrible situation?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the hon. member is assuming far too much. The Canadian Passport Office has been aware of the fraudulent passport cases that were outlined in the article and it reported them promptly to the RCMP.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the minister says that it is not a very big problem. According to the Montreal *Gazette* this morning, the list of people who got these illegal passports reads like a directory of the international drug trade.

Who is running the department of passports in Canada? Is it the Colombian drug dealers? Which ministers were aware of this? Why has nothing been done? When will the Prime Minister take his job seriously for once in our lives?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I will not respond in the way I am thoroughly tempted to respond.

I have asked for a full report on this situation because, as I said in response to his first question, I do take the situation very seriously. I have asked my department for a full report.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, Canadians are concerned about crime. They want our cities and communities safe. Yet today Canadians are outraged to learn that organized crime world-wide is using Canadian passports issued by External Affairs to conduct illegal activities all over the world. The minister has confirmed that she is investigating.

Why has this government allowed the Canadian passport, a symbol of our proud country, to be used as a calling card for international criminals?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we issue 1.2 million passports a year. There are 6 million in circulation. Security is our highest priority in the issue of passports. Eighty-three per cent of our passports are issued personally to those who apply for them.

I have asked for a full report on any allegations that have been made that this situation is a difficult one.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, the minister says that security is a prime responsibility—

Mrs. McDougall: I said it was a priority.

Mr. Wappel: Priority, that is fine, as it should be. The minister has known since 1989, or her predecessor has known since 1989, from reports by the RCMP that this matter has been going on two full years.

What has taken so long to begin the investigation? Why are you investigating now? If you had started your investigations in 1989 when you should have done so, why is the matter still going on?

Mr. Speaker: I have to ask the hon. member to address his questions through the Chair.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, what I said was that I am told that the passport office had been made aware of some of these cases and reported them to the RCMP immediately—immediately, I said, they reported these incidents—and I have asked for a full report on the whole issue. I should also point out that the article in the *Gazette* says that this is not widespread.

* * *

• (1430)

MIDDLE EAST

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, at the outset I would like to personally thank the President of the Treasury Board for seeing an opportunity yesterday and for the good work he did. I would like to thank him on behalf of the New Democratic Party.

Some hon. members: Hear, hear.

Ms. McLaughlin: Mr. Speaker, my question is for the Prime Minister. News reports yesterday and today indicate that there could be potentially a very serious resumption of conflict in the Middle East. We are all concerned about Iraq's persistent refusal to agree to inspection of their nuclear sites.

We understand that the United States is moving forces into Saudi Arabia and that U.S. planes are on alert for a possible strike on Bagdhad. Of course, everyone in this House is concerned about this. In a report from the White House, it did say that western allies have agreed to this operation.

Could the Prime Minister tell this House what Canada has agreed to, if anything, and could he give us some information on this situation from a Canadian perspective.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that Secretary Cheney of the United States has indicated that these reports are very considerably inflated in regard to what may or may not be contemplated.

What is taking place, as my hon. friend knows, is repeated violations by Saddam Hussein of United Nations' prescriptions and rulings pursuant to agreed upon resolutions of the Security Council in regard to implementation. He persists in violating and flaunting the will of the international body. The United Nations has conveyed to him the views that these must be accepted in their entirety. His attitude has been to understate the case and be extremely unhelpful.

I hope it was not lost on him what happened when he proceeded with imprudence the last time. If Saddam Hussein has any vestiges of intelligence, which many people doubt, he will immediately follow to the letter all of the rulings of the United Nations Security Council.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, a supplementary. I wonder if the Prime Minister could tell us specifically what Canada's response is and whether Canada would have a role in this. Could he tell the House specifically what his instructions have been on behalf of the Government of Canada regarding this?

Right Hon. Brian Mulroney (Prime Minister): Inasmuch as Canada has not been asked to play any given role, I cannot respond because it would be entirely hypothetical.

Canada was a member of the Security Council when the matter was resolved and the prescriptions were drawn up and designed. As a member of the Security Council and as a member of the General Assembly we, along with every other nation in the world, with one or two exceptions, insist on the full and strict application of those sanctions as they apply to Iraq.

I suppose the message all members would want to send to Iraq is that in their own interests, and the interests of all of their people, to urge their leadership to comply immediately and totally with the prescriptions of the United Nations.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary is directed to the Prime Minister. Did President Bush get in touch with the Prime Minister about the situation? And if so, what was the Prime Minister's answer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, President Bush did not get in touch with me about this, and in fact we are referring to resolutions already ratified by the United Nations Security Council. What we see today is a refusal by Saddam Hussein to comply with rulings already approved by the Security Council.

Three months ago, the President of Iraq refused to proceed with caution. He underestimated the political will of the civilized world. The direct threat to peace, to his neighbours and to Israel was very real. It was made clear to him what the consequences might be but he has refused to comply with the resolutions of the Security Council. He is now being urged to comply, fully and without delay, with those resolutions.

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MONTREAL'S ECONOMY

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the Prime Minister.

The government is playing the fiddle while Montreal burns! This summer, government members begged the government to do something about the situation in Montreal. It has done nothing.

This morning, the government of Quebec released a devastating report on the economy in the metropolitan area which totally contradicts all the claims made by Tory ministers. Things have never been worse in all the 25 years I have been a resident of Montreal.

My question is this, and I think the time for the usual stock answers is past, what specific plan—perhaps the Prime Minister would care to listen to what I have to

say—what specific program is the Prime Minister prepared to implement and when, to guarantee that children in Montreal will no longer go to school on an empty stomach?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, the hon. member knows perfectly well that the prosperity of Montreal is contingent upon the economic prosperity of Canada as a whole. This is the first step.

Second, last February when the Budget was brought down, we tabled an economic recovery plan for this country based on a number of principles. We had to reduce the deficit, bring down inflation and reduce interest rates, and are making considerable headway on all three fronts.

I may add that since the beginning of our economic recovery, 47,000 jobs have been created, including more than 27,000 in Montreal. So the government is doing a lot for Montreal, and it will do a lot more.

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is directed to the new minister responsible for Montreal.

The minister is right: Montreal is suffering the consequences of the government's policies: an excessively high dollar, cuts in research and development and no manpower programs. Make no mistake: the roots of our national unity crisis are economic as well as constitutional.

My question is this: When will the minister or the Prime Minister or at least someone on the other side finally realize that if Montreal is taken care of, Quebec will be in better shape and Canada will be better off?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I am surprised to hear the Liberal Party ask questions about Montreal.

Mr. Speaker, I would like to mention three instances in which this government wanted to do something and, in fact, did something for Montreal but was unable to get any co-operation from the Liberal Party.

First, when the time came to establish the Space Agency in Montreal, why didn't Liberal members from Montreal support the plan to locate the agency in their city? Second, in the case of Bill C-22 concerning drug patents, what did these members do? They were all dead against helping Montreal. Third—and these are just three examples—as far as the petrochemical industry is concerned, from 1980 to 1984, the Liberal government, and more specifically Mr. Lalonde, wanted to kill Petromont and the petrochemical industry in Montreal. Without the Prime Minister's intervention, thousands of jobs would have been lost. And we saved those jobs!

* * *

[*English*]

CROSS-BORDER SHOPPING

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, confidential revenue department studies report that the Minister of National Revenue knew that the GST would cause dramatic increases in cross-border shopping. Yet he has consistently denied that the GST is the main factor in this cross-border shopping increase.

If the Prime Minister still believes that his ministers should demonstrate integrity and responsibility, when will he ask his Minister of National Revenue for his resignation?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I have always known that the hon. member is in the dark most of the time.

• (1440)

I was not so certain about my friend, Alan Freeman of *The Globe and Mail*, whose story the hon. member is referring to because the contents of this document were made public May 7 of this year. They were refuted by the Deputy Minister of Revenue Canada, Customs and Excise, when she concluded in her public press release of May 7 that the study represents one person's opinion and does not reflect the view of the department or the government.

Further to that—I am sure the opposition members are not going to be happy with this news—today's *Canadian Economic Observer* from Statistics Canada reports that the GST was not to blame for cross-border shopping because cross-border shopping, according to Statistics Canada, is decreasing as of January 1, 1991 as compared to the previous three years. That is a fact.

Mr. Joseph Volpe (Eglinton—Lawrence): Mr. Speaker, the issue is not whether the minister can skate around his statements; the issue is that the minister knew what would be the impact of the GST on cross-border

shopping because his own department had given prior warning.

He knew but did nothing. Worse, he continually told Canadians that cross-border shopping and GST were not related.

The behaviour has so incensed Canadians in the business community that today the Canadian Federation of Independent Businesses called on the Prime Minister in the interests of decency and honesty to fire his minister. When will the Prime Minister act on the federation's advice?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I guess John Bulloch has been in the dark the same way as the hon. member because the statistics speak for themselves.

Canadian Economic Observer, a publication of Statistics Canada which was released early this morning—I am sure the hon. member has not read that yet—concluded that in 1987, the increases of cross-border shopping was 20 per cent. In 1988, it was 17 per cent; in 1989, it was 20 per cent; in 1990, it was 20 per cent and in the first two quarters of 1991, after the introduction of the GST and the scrapping of the unfair manufacturers' sales tax, the increase in the first quarter was only 2.3 per cent and in the second quarter, it was lowered to 1.3 per cent. That is progress.

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LAND CLAIMS

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, before the last election, the Prime Minister signed a land claims agreement in principle with the chiefs of the Dene nation.

He said he was building a lasting relationship with the Dene people and a more united Canada.

Three years later, the agreement has disintegrated, Dene funding has been slashed, the government refuses to discuss outstanding issues and the Prime Minister is too busy to meet with the leaders of the Dene people.

Will the Prime Minister commit himself to meet with Dene national chief, Bill Erasmus, who is in Ottawa this week to resume building what he called a lasting relationship and a unified Canada that includes the Dene people?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the hon. member for his question.

It gives me an opportunity to remind the House of the remarkable progress we have made in dealing with land claims, introducing new specific claims policies, preparing in conjunction with aboriginal leadership new alternatives to the Indian Act and all of the debilitating impact that act has had on Indian people and on the new constitutional initiatives which my colleague, the minister responsible for Canadian unity has brought forward.

I meet regularly with the leaders of all First Nations people and have met Mr. Erasmus on numerous occasions. I find it unfortunate that he chose to persuade his people to abandon what was perhaps the most global and significant land claim agreement in all of Canadian history.

I hope we will have a chance to revisit that agreement in the not to distant future.

Mr. Robert E. Skelly (Comox—Alberni): Mr. Speaker, a supplementary question for the Prime Minister.

Twenty-four of 27 Dene communities have rejected the land claims agreement which extinguishes their aboriginal rights. In fact, no other group in Canada is required to surrender its rights under the Constitution or the Charter as a precondition of reaching agreements with the government.

Will the Prime Minister remove the extinguishment of constitutionally protected aboriginal rights as a precondition to settling land claims in this country?

Will he get back to the bargaining table with the Dene without the precondition of extinguishment?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, the reality is that many First Nations people have defined aboriginal rights under treaty, including the Dene people of the Western Arctic.

Furthermore, where those rights have not entirely been respected by previous governments, this government has made tremendous progress, as we did in Saskatchewan just last Friday when we signed an historic cost-sharing agreement with the government of the province of Saskatchewan to settle treaty land entitlements with some 27 First Nations bands of Saskatche-

wan, something that previous NDP governments never had the courage to do.

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CROSS-BORDER SHOPPING

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, my question is for the Minister of National Revenue. His standard line in his answer today is that everyone is in the dark. I submit to you that the Minister of National Revenue is skating on thin ice on this one.

Last fall, a study prepared by his own department warned that the GST could lead to an annual increase of two million travellers to the U.S. In fact, in the first six months of the GST, same-day cars to the U.S. increased by 4.8 million. Why did the minister go across the country saying that the GST would not be a factor in increasing cross-border shopping when he knew better.

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, I will out-skate that hon. member anytime.

An hon. member: He is just an old referee.

Mr. Jelinek: Obviously he already had his question written prior to the answers I gave to his colleague. So instead of repeating my answer, I will just point to the *Canadian Economics Observer* from Statistics Canada which confirms the things I have been saying for the last 18 months.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, Canadians are blowing the whistle on this minister.

An hon. member: They are going to throw him out of the game.

An hon. member: Put him in the penalty box.

[*Translation*]

Mr. Kilger: Mr. Speaker, my supplementary is for the Minister of National Revenue. The bankruptcy rate among small and mid-sized businesses has reached a record high. Unemployment continues to rise throughout the country, particularly in border communities. Can the minister explain his inaction in view of the damages to the national economy? Will he now admit that the mayor of Sarnia was telling the truth when he said that Revenue Canada was aware of the problems and their consequences but that neither the minister nor his department did a thing about it?

[*English*]

Hon. Otto Jelinek (Minister of National Revenue): I have met with all the border communities and their mayors as well as the border business communities, including the Mayor of Sarnia, the former Liberal candidate in the last election by the way. We have come to the conclusion, and I believe, that there are many problems which are far more complex than just taxation and federal government policies. This problem of cross-border shopping spreads across all three levels of government, the private sector, labour and other organizations.

As a result, in co-operation with the Retail Council of Canada, with the chambers of commerce, with labour and the provinces and the communities, we have embarked upon a program which is resulting in the reduction of the cross-border shopping which Statistics Canada released this morning. I think we are on the right track.

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AGRICULTURE

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I would like to have from the Minister of Agriculture a definitive answer on emergency assistance to farmers. I am not looking for information on what the government has done so far, nor am I seeking information on what the government might do under the new safety net programs over the next couple of months.

Mr. Speaker, I want the minister to address the $1 billion shortfall of the last crop year. That shortfall has left farmers in dire straits.

An hon. member: Oh, oh.

Mr. Harvard: Shut your mouth.

Mr. Speaker: I would point out to the hon. member that if it is necessary, he might ask the Speaker to intervene. Would the hon. member put his question, please.

• (1450)

Mr. Harvard: Mr. Speaker, the farmers are demanding emergency assistance, and I would like to know from the minister whether he is going to provide it, and if so, how much?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I can understand why the hon. member does not want me to repeat the impressive record of this

government in supporting farmers. I can tell him that that record speaks for itself.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, the farmers already have certain information. The critical information they do not have relates to emergency assistance. They want to know what the government is going to provide. If the minister does not know, there have been numerous protests and rallies already to try to get through to this minister just how serious the situation is. In fact, there will be a major rally in Brandon, Manitoba tomorrow.

I ask the minister again to take this matter seriously and tell us now the kind of assistance he is going to provide to Canadian farmers.

Hon. Bill McKnight (Minister of Agriculture): I should assist the hon. member. If he is attending the meeting in Brandon tomorrow, he will be one day early. It is on Friday. From past experience we certainly hope he attends.

I can inform the hon. member of the assistance which has been made available by the Government of Canada, in co-operation with our partners, the provinces and the producers. Some $300 million plus in NISA will be provided between now and the end of the year. The first interim payment under GRIP, which is decided by the provincial governments and the provincial agency—

Mr. Harvard: I know that.

Mr. McKnight: He says he knows that. If he knows that, why would he continue to say we are doing nothing when over $2 billion will be provided to producers under those programs that have been worked out by the producers, by the farm leaders, by the provincial governments and the Government of Canada?

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EAST TIMOR

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, my question is for the Secretary of State for External Affairs.

As the minister knows, the Government of Canada was quick to support sovereign self-determination for the Baltics, to condemn and go to war over the Iraqi invasion of Kuwait, yet our government has consistently supported Indonesia in its illegal conquest and brutal oppression of East Timor.

I want to ask the minister, whether in spite of Canada's substantial bilateral aid and billion dollar private investment in Indonesia, will Canada now act to support United Nations initiatives to free East Timor from Indonesia?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, Canada considers that Indonesian sovereignty over East Timor is a fact, recognizing that there has never been any history of independence or self-determination or self-government in that territory.

We do not condone the manner of incorporation and we deplore and condemn the loss of life that occurred, but we very much support the unsponsored dialogue between Portugal and Indonesia as the most promising means to reach an understanding in that very unfortunate and unhappy circumstance.

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SOUTH AFRICA

Mr. John Brewin (Victoria): Mr. Speaker, my question is for the Prime Minister. It is reported that the Prime Minister is being pressured by External Affairs and the business community to visit South Africa this fall, despite the fact that the majority in South Africa are still denied their democratic rights on the basis of their colour.

Has the Prime Minister received a message from Nelson Mandela asking him not to visit? Has the Prime Minister decided to comply with that request and to withhold a prime ministerial visit to South Africa until the blight of apartheid is truly lifted in that country.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is in error. I have been pressured by absolutely no one, least of all any members of various communities in regard to any possible trips to South Africa or elsewhere.

The Secretary of State for External Affairs returned from New Delhi where she chaired, as agreed, the Commonwealth Foreign Ministers Conference in respect of sanctions for which Canada has had the chair for some years prior to the conference in Harare. The recommendation from the Secretary of State for External Affairs to me, upon her arrival, was that in the circumstances, even though President de Klerk had made some very courageous gestures towards a reconciliation in South Africa, that a visit by the Prime Minister

of Canada at this particular time would not be helpful. In consequence, and acting on the direct recommendation of the Secretary of State for External Affairs, I advised President de Klerk of my intention to delay a visit to South Africa until some other time.

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YUGOSLAVIA

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Would the minister agree that the United Nations Security Council urgently needs to consider the grave and tragic Yugoslavian situation and offer to mediate it and, should that mediation process begin, also offer to send a United Nations peacekeeping force into Yugoslavia so that the democratic process and the wishes of the people will be respected in determining their future?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, let me say, in response to this question, and also some of the remarks that were made earlier, that Canada very early condemned the violence in Yugoslavia in all its aspects and, indeed, the Prime Minister has written letters to the President of Yugoslavia. I have raised it directly with the foreign minister of Yugoslavia. We completely agree that it is time for the UN Security Council to consider the matter and indeed, the Prime Minister, in discussions with our ambassador there, has recommended that we explore with the President of the Security Council all avenues that are open to the United Nations.

We are very concerned about the situation. We have discussed it with the Croatians, who obviously are distraught about this situation. I have offered the resources of my department to try and help them stay in touch with their families. If a peacekeeping operation is organized, of course Canada will be there offering to help.

We are also in regular touch with the President of the European Community who is doing his best to try to manage this situation in the meantime.

[*Translation*]

MONTREAL'S ECONOMY

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, in the absence of the minister responsible for regional development, the Minister of Transportation, I will direct my question to the Prime Minister.

Aside from ancient history, quibbling between the old parties and all the bragging, the fact remains that Montreal's economy is in a sorry state. Everybody agrees on that point, except for the minister responsible. You do not have to be a native of Montreal to know that Montreal is the motor of the Quebec economy and that, should Montreal's economy crumble, it would spell disaster for the entire province. I ask the Prime Minister: at long last, will you tell us, tell this House and tell Quebec what you intend to do to put Montreal's economy on track again?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, the hon. member knows full well that Montreal is going through a difficult time while adjusting to structural changes in the economy. In the early 1980's, when the manufacturing sector was very strong in Montreal, the members opposite who were then in power imposed upon Montreal a protectionist policy which is now proving to be catastrophic. What we have tried to do first in our February Budget, was to bring down the deficit, to curb inflation and lower interest rates. And we have no doubt that this kind of policy will bring about a strong economic recovery.

Mr. Lapierre: Platitudes!

Hon. Lucien Bouchard (Lac-Saint-Jean): Mr. Speaker, same old tune! This is a serious question and I will put it again to the Premier Minister. He knows Montreal and its people well. He knows what the community thinks. He knows that the people are worried and wonder how much longer they will have to suffer from the incompetence and indifference of the present minister responsible for their area. When will the government and the Prime Minister appoint a minister truly responsible for Montreal, for Montreal's sake?

Hon. Marcel Danis (Minister of Labour): We are doing a lot for Montreal, Mr. Speaker and always with the future in mind. Tomorrow's industries not yesterday's need our support. We are doing a lot to support

them and my hon. friend knows full well that to speak of a space agency is to speak of an industry of the future. The same is true of pharmaceutical research and a bill was passed about this. Another industry of the future. Similarly when I talk about good jobs in the petrochemical sector.

So, we are indeed interested in the future of Montreal and we are indeed introducing legislation to enhance its future.

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• (1500)

AGRICULTURE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Minister of Agriculture. To date, all Quebec agriculture ministers have supported the quota policies brought in by the previous government. I have met with the President of the UPA, Mr. Proulx, and the Quebec Department of Agriculture, and we are very interested to know unequivocally from our minister—we want the assurance that you will never drop Article XI of GATT and that you will strengthen more than ever our farmers' right to quotas, the pillar of our agricultural system.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, I am glad to see that my colleague has consulted with the UPA president. My colleague, the Minister of Agriculture and I met Mr. Proulx less than a week ago and spent three hours discussing all the issues affecting Quebec farmers.

I can assure him that if ever a government took an interest in Canadian and Quebec farmers, especially milk producers, it is this one, because we have implemented a long-term dairy policy. We have managed to take to GATT a national position that was supported by all Canadian farmers, whereas the previous government left farmers, especially milk producers, in limbo for five years with no long-term dairy policy—you never brought one in, but we did. We have maintained it. The Prime Minister is committed to having a long-term dairy policy. I can assure you, Mr. Speaker, that Canadian farmers know what we have done for them and we will continue to defend them. Only this government is able to do so.

[*English*]

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, my supplementary is for the Minister of Agriculture. Several senior members of our supply managed commodities told us that they have been told by senior Canadian officials that Canada is changing its position at the GATT and is now willing to give up Article XI in order to get an agreement at GATT.

I ask the minister: Will he make a commitment in this House today to stand up for Canadian supply managed farmers and say that he will not sign anything at GATT that undermines Article XI?

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, I suggest to the hon. member in all frankness that whomever he may use as his source is factually incorrect. If they are representing themselves as officials from the Government of Canada, I would very much appreciate the opportunity to speak directly to them.

The Government of Canada has stated, as my colleagues have, its position on Article XI. We are not talking about weakening Article XI. What we have asked for, and what the policy of this government is, is that Article XI should be further clarified and strengthened. That has not been changed and will not change until the government says it will change.

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FISHERIES

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the minister of employment. The minister is well aware of the devastating failure of the inshore fishery in some regions of Newfoundland and Labrador. Indeed, thousands of fishermen and plant workers in my riding in the Strait of Belle Isle and White Bay on the Baie Verte Peninsula are looking to the government for assistance.

I want to ask the minister of employment, who is a former minister of fisheries and is well aware of the situation in the province today, what measures are being contemplated to assist these inshore fishermen and plant workers and when may we expect some announcement of the government's intentions?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Mr. Speaker, in fact, the government is well aware of the difficult situation in certain parts of

Newfoundland and on the coast of Labrador in terms of the fishery.

As my colleague, the Minister of Fisheries and Oceans, indicated yesterday, we are considering with the provincial government and with the union in Newfoundland and Labrador the method by which we can help the citizens of Newfoundland and Labrador to meet that difficult situation.

As we are speaking, officials in my department and at Fisheries and Oceans are working on this. As soon as we are in a position with the support of the province of Newfoundland and Labrador and the union to make public our recommendation, we shall.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I thank the minister for his answer. Indeed it is encouraging to know that the provincial government, the federal government and the union are working together. I think what people want on September 18, at this time of the year with children just back in school, no income, down to their last dollars, is to make a decision whether to carry on fishing to put bread and butter on the table. What they want from the minister, understandably, is some assurance that assistance is going to be forthcoming soon, within a matter of weeks. Last year assistance was not forthcoming until the end of December.

Can we have a quicker response this year so that fishermen know they can carry on fishing for what little resources are left out there?

Hon. Bernard Valcourt (Minister of Employment and Immigration): If the hon. member is concerned about the timing, do not go back to December of last year. Look at the ice conditions of this spring. This government acted expeditiously to put in place a program of $18 million that benefitted 9,000 people from Newfoundland and Labrador.

I think those people of Newfoundland and Labrador know that the Conservative government in Ottawa works.

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EMPLOYMENT

Hon. Alan Redway (Don Valley East): Mr. Speaker, I have a question for the Acting Minister of Industry, Science and Technology.

Two years ago the government gave $1 million to Kendall Canada to help it move from my riding to Peterborough, Ontario. A week ago Kendall announced it was closing its new manufacturing operation in Peterborough and moving its production to the United States, resulting in a loss of some 165 jobs in Peterborough, following a loss two years ago of some 700 jobs in my riding.

What steps does the government intend to take to stem the growing number of manufacturing job losses in this country? Also, can the Canadian taxpayers at least expect to get that $1 million back?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am happy to respond to my hon. friend and I join him in expressing empathy for those who will lose their jobs. He should know, however, that when Kendall moved to Peterborough, the whole operation would have gone to the United States. This was before the free trade agreement two years ago. The whole operation would have gone there. As a result of this contribution, Kendall was moved to Peterborough and a part of the operation will remain in Peterborough. More importantly, I will make sure that the terms and conditions of that grant are adhered to and make sure the control period is adhered to.

Also, under the over-all program, IRDP, Coca-Cola moved to Peterborough, Minute Maid moved to Peterborough, Royal Homes moved to Peterborough. Thousands of jobs were created under that program.

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HOUSING

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the minister responsible for housing. When will the minister direct Canada Mortgage and Housing Corporation to remove the high risk designation for mortgage eligibility from the city of Fort McMurray, a city of 35,000 people?

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Speaker, we are reviewing this matter. I have every sympathy with the hon. member's eloquent representations in this regard. We are looking at the policy and if it is possible to do so, we will have another look and see if it can be effected.

CARBON DIOXIDE EMISSIONS

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources.

The government has stated that it intends to stabilize Canadian carbon dioxide emissions at their 1990 levels by the year 2000. However, on Monday, speaking to a meeting of the Canadian Coal Association, energy standing committee chairman Al Johnson said: "This is an impossible goal".

My question is: Was Mr. Johnson's statement a signal from the government? Is the government abandoning even its wishy-washy capping goal? Or is the chairman of the standing committee simply personally repudiating his government's policy?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, as they say: "none of the above" as to the options the hon. member put in his question.

The hon. member should know, and he and I have discussed this in committee before, that it is Canada's policy to stabilize greenhouse gas emissions by the year 2000. We are working on moving that toward a signature for Brazil in 1992. There are obviously great differences internationally as to how stabilization can be effected. I can give him, for example, the European proposal or the American proposal where they include CFCs and where Canada has not.

If we exclude some of those issues then for Canada it makes it much more difficult to meet some of the criteria that other countries have given themselves and for which they are given credit. When we look behind the veil, so to speak, it is not the same as it appears.

• (1510)

Mr. Speaker: The time for Question Period has, even with the extension, concluded.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): I would like to take this opportunity, Mr. Speaker, to designate tomorrow as an allotted day.

POINT OF ORDER

CLARIFICATION OF ANSWER

Mr. Joe McGuire (Egmont): Mr. Speaker, yesterday the Minister of Agriculture, in response to my supplementary question on the PVY-N virus, replied:

> —regardless of the strain of virus it is not accepted in the United States.

I would like the hon. minister to clarify that statement.

Hon. Bill McKnight (Minister of Agriculture): Mr. Speaker, it is not only the area of the United States. It is those in areas within Canada that are not looking forward and are resisting every effort to have a virus transmitted into their region. We hope that through the process that has been established by Agriculture Canada and the openness with the United States that there may be able to be a reopening of the table market for Prince Edward Island potatoes.

But I am sure the hon. member supports the efforts of the Government of Canada and the moneys that have been expended in eradicating the PVY-N virus which, although not dangerous to humans, is dangerous to the production and the ongoing support in the agricultural industry.

Mr. Speaker: I might just remind hon. members that I certainly would be prepared to hear points of order, but we do have an order which compels us to vote now.

If the hon. member feels it is of great urgency, I will hear it now or I will hear it later.

An hon. member: Later.

GOVERNMENT ORDERS

[*English*]

PUBLIC SECTOR COMPENSATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, September 17, consideration of the motion of Mr. Andre that Bill C-29, an act respecting compensation in the public sector of Canada and to amend another act in relation thereto, be

read the second time and referred to Legislative Committee F; and the amendment of Mr. Chrétien (p. 2227).

Mr. Speaker: It being three o'clock p.m., pursuant to an order made Tuesday, September 17, 1991, the House will now proceed to the taking of the deferred divisions on the motion at second reading of Bill C-29.

Accordingly, the first question is on the amendment standing in the name of Mr. Chrétien. Call in the members.

The House divided on the amendment, which was negatived on the following division:

(Division No. 37)

YEAS

Members

Allmand
Anawak
Assad
Baker
Benjamin
Black
Blaikie
Bouchard (Lac-Saint-Jean)
Breaugh
Butland
Callbeck
Catterall
Clancy
de Jong
Duceppe
Edmonston
Flis
Foster
Gaffney
Gardiner
Guarnieri
Harvard
Heap
Hovdebo
Jordan
Karygiannis
Kilger (Stormont—Dundas)
Kristiansen
Langdon (Essex—Windsor)
Laporte
Leblanc (Longueuil)
MacAulay
MacLaren
Martin (LaSalle—Émard)
McGuire
Mifflin
Mills
Murphy
Nunziata
Ouellet
Parker
Phinney
Plamondon
Rideout
Rocheleau
Skelly (North Island—Powell River)
Stewart
Tobin
Waddell
Whittaker
Young (Beaches—Woodbine)—101

Althouse
Angus
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Bevilacqua
Blackburn (Brant)
Blondin
Boudria
Brewin
Caccia
Campbell (South West Nova)
Chrétien
Comuzzi
Dingwall
Duhamel
Fisher
Fontana
Fulton
Gagliano
Gauthier
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Keyes
Kindy
Langan (Mission—Coquitlam)
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacDonald (Dartmouth)
Manley
McCurdy
McLaughlin
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Peterson
Pickard
Prud'homme
Riis
Simmons
Skelly (Comox—Alberni)
Stupich
Vanclief
Wappel
Wood

NAYS

Members

Andre
Beatty
Bernier
Blackburn (Jonquière)
Bosley
Browes
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Yellowhead)
Cole
Cook
Corbett
Couture
Danis
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Ferland
Friesen
Greene
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Jelinek
Joncas
Koury
Langlois
Layton
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
McLean
Monteith
Mulroney
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Turner (Halton—Peel)
Van de Walle
Vien
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Wilson (Etobicoke Centre)
Worthy—124

Atkinson
Belsher
Bertrand
Blais
Brightwell
Cadieux
Cardiff
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Collins
Cooper
Côté
Crosby (Halifax West)
Darling
de Cotret
Desjardins
Domm
Edwards
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kempling
Landry
Larrivée
Lewis
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McKnight
Mitges
Moore
O'Kurley
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Valcourt
Vézina
Vincent
Wilbee
Winegard

PAIRED—MEMBERS

Anderson
Clifford
Finestone
Maheu
Parent
Shields

Axworthy (Winnipeg South Centre)
Ferguson
Halliday
Merrithew
Proud
Weiner

• (1540)

Mr. Speaker: I declare the amendment lost.

The next question is on the main motion.

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

(Division No. 38)

YEAS

Members

Andre
Beatty
Bernier
Blackburn (Jonquière)
Bosley
Browes
Campbell (Vancouver Centre)
Chadwick
Charest
Clark (Yellowhead)
Cole
Cook
Corbett
Couture
Danis
DeBlois
Della Noce
Dobbie
Duplessis
Epp
Ferland
Friesen
Greene
Guilbault
Harvey (Chicoutimi)
Hicks
Hogue
Horner
Hudon
Jacques
Jelinek
Joncas
Koury
Langlois
Layton
Loiselle
MacDougall (Timiskaming)
Malone
Martin (Lincoln)
Mayer
McCreath
McDougall (St. Paul's)
McLean
Monteith
Mulroney
Plourde
Pronovost
Reid
Ricard
Robitaille
Schneider
Sobeski
Sparrow
Tardif
Thacker
Thorkelson
Turner (Halton—Peel)
Vézina
Vincent
Wilbee
Assiniboia)
Winegard
Atkinson
Belsher
Bertrand
Blais
Brightwell
Cadieux
Cardiff
Champagne (Champlain)
Chartrand
Clark (Brandon—Souris)
Collins
Cooper
Côté
Crosby (Halifax West)
Darling
de Cotret
Desjardins
Domm
Edwards
Feltham
Fontaine
Gray (Bonaventure—Îles-de-la-Madeleine)
Grey (Beaver River)
Gustafson
Hawkes
Hockin
Holtmann
Horning
Hughes
James
Johnson
Kempling
Landry
Larrivée
Lewis
MacDonald (Rosedale)
MacKay
Marin
Masse
Mazankowski
McDermid
McKnight
Mitges
Moore
O'Kurley
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Siddon
Soetens
Stevenson
Tétreault
Thompson
Tremblay (Québec-Est)
Van de Walle
Vien
White
Wilson (Swift Current—Maple Creek—
Wilson (Etobicoke Centre)
Worthy—123

NAYS

Members

Allmand
Anawak
Assad
Baker
Benjamin
Black
Blaikie
Bouchard (Lac-Saint-Jean)
Breaugh
Butland
Callbeck
Catterall
Clancy
de Jong
Duceppe
Edmonston
Flis
Foster
Gaffney
Gardiner
Guarnieri
Harvard
Heap
Hovdebo
Jordan
Karygiannis
Kilger (Stormont—Dundas)
Kristiansen
Langdon (Essex—Windsor)
Laporte
Leblanc (Longueuil)
MacAulay
MacLaren
Martin (LaSalle—Émard)
McGuire
Mifflin
Mills
Murphy
Nunziata
Ouellet
Parker
Phinney
Plamondon
Rideout
Rocheleau
Simmons
Skelly (Comox—Alberni)
Stupich
Vanclief
Wappel
Wood
Althouse
Angus
Axworthy (Saskatoon—Clark's Crossing)
Bélair
Bevilacqua
Blackburn (Brant)
Blondin
Boudria
Brewin
Caccia
Campbell (South West Nova)
Chrétien
Comuzzi
Dingwall
Duhamel
Fisher
Fontana
Fulton
Gagliano
Gauthier
Harb
Harvey (Edmonton East)
Hopkins
Hunter
Karpoff
Keyes
Kindy
Langan (Mission—Coquitlam)
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
Lee
MacDonald (Dartmouth)
Manley
McCurdy
McLaughlin
Milliken
Mitchell
Nault
Nystrom
Pagtakhan
Peterson
Pickard
Prud'homme
Riis
Scott (Hamilton—Wentworth)
Skelly (North Island—Powell River)
Stewart
Tobin
Waddell
Whittaker
Young (Beaches—Woodbine)—102

PAIRED—MEMBERS

Anderson
Clifford
Finestone
Maheu
Parent
Shields
Axworthy (Winnipeg South Centre)
Ferguson
Halliday
Merrithew
Proud
Weiner

Mr. Speaker: I declare the main motion carried.

Motion agreed to and bill read the second time.

Mr. Speaker: Pursuant to order made Tuesday, September 17, 1991, proceedings on the bill are halted.

Mr. Volpe: Mr. Speaker, I rise on a point of order. I was unavoidably detained, but had I been here for both votes I would have voted with my caucus.

Mr. Speaker: The hon. member for Cape Breton—East Richmond.

* * *

POINTS OF ORDER

CONDUCT IN CHAMBER

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to draw to the attention of the House a subject matter which I believe to be of great importance. The hon. member for Burlington made an apology earlier and it is totally accepted by the hon. member for Hamilton East.

I wish to talk about something which is beyond that. I ask the Chair for direction. I make a suggestion to the Chair, in view of the broader issue, for the Chair to take under active consideration the prospects of meeting with representatives of the three national parties, as well as members who are independent in this Chamber. I ask that the Chair sit down with those members at a time later this week or early next week and have a discussion with regard to some of the conduct of members on all sides of the House, as it relates to how females are treated in this Chamber.

• (1550)

It is becoming more and more apparent each and every day that sometimes there is hissing and sometimes there are certain catcalls, certain expressions which are not appreciated. Nor do we believe that they should be put forward on the floor of the House of Commons.

All of us, from time to time, in expressing our views may or may not use certain colourful language. There has to be a restriction and that restriction, Sir, I think, must be administered by you, the impartial person in this Chamber.

Mr. Speaker, I would suggest that you reflect on my suggestion—perhaps other members opposite or, indeed, other parties might wish to make a comment or two—but do so with some dispatch, and come back to this House and provide some rules and guidance on that particular specific issue.

Mr. Speaker, for too long I think those of us in this Chamber have not accorded the kind of treatment that human beings, whether they be female or male, ought to have in this Chamber. I respectfully request that you give serious consideration to this request.

Mr. Speaker: I have listened very carefully to the hon. member for Cape Breton—East Richmond, who kindly and courteously advised me earlier that he would rise on this matter. I draw it to members' attention that he has been very careful in what he said. This is not a reopening of the incident of yesterday which has been dealt with today.

I wish to say to hon. members that I would be very prepared to meet with members of each of the parties in the House and others for a discussion on this matter and, perhaps, on a wider range of matters that arise from it. I thank the hon. member for bringing this to my attention. My office will be in touch with his office and others in the Chamber.

The hon. member for Kingston and the Islands on a point of order, who has very patiently waited until this moment to bring it to our attention.

REPLIES TO QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Kingston and the Islands): I rise on a point of order. I know the hard working Parliamentary Secretary to the Government House Leader bears a tremendous burden in this House, but I think his zealousness has carried him a bit too far.

I looked at *Hansard* and reviewed the answers to the questions that he so kindly provided in the House yesterday. They were numerous. I noticed that printed with each answer in *Hansard* is a statement of the time that some person took to prepare the answer and then the parliamentary secretary has deigned to provide us with the cost of providing the reply.

That is very, very nice, but I suggest that there is an ulterior motive here and that is to suggest that somehow parliamentarians, particularly opposition members, who after all seem to be the only inquisitive ones in this House, put forward questions and that somehow they are wasting public money in requesting information from the government. With respect, that is not so. In fact, the answers themselves give away greater evidence of waste than any cost of any of the answers provided. I could cite those but I would not want to do that on a point of order. It might not be fair.

I would ask the parliamentary secretary to, first of all, look at the answers he provides. Second, I ask the Speaker, since we are not allowed to put partisan

comments or assertions in our questions, to ensure that the parliamentary secretary is not permitted to include in answers extraneous material that has nothing to do with the question asked, namely the amount of time it took to complete and the estimated cost of completion, It is very nice of the parliamentary secretary to provide the information, but I suggest it is quite out of order and I ask Your Honour to so rule.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, perhaps I might be permitted to reply. I think my hard working, very capable and outstanding parliamentary secretary is being much maligned unnecessarily. The member for Kingston and the Islands is correct that the answers he has received, and will receive, put down factual information. Whether the questions come from this side or that side, or wherever they come from, it is simply factual information. If it is as he alleges, the answers to the questions themselves that show great waste and so on, surely those who read *Hansard* diligently, as he does and I do, and I am sure millions and millions of Canadians do, can make their judgments as to the validity. But I find it passing strange that we have a member of the opposition standing up saying: "We don't want this information about how our tax dollars are being spent". Providing the information about how government spends the taxpayers' money is what we are prevailed upon to do constantly, and we are doing it as openly and as frequently and as thoroughly as we possibly can.

Mrs. Coline Campbell (South West Nova): Mr. Speaker, on the same point of order, I would like to say that on the answers I received back yesterday, I was really surprised and amused to see the time, four hours, and the amount of money, $72 an hour, I think.

I would like to know if we can state in our questions, when placing them on the Order Paper, how many letters we have sent asking the minister's office or the minister for information, or in questions or in committees how long we have been asking for those answers. I found it very ironic that it took four hours of time of somebody in the department at $72 a hour to answer two of the three questions that I had asked. I also found it very ironic that I am not allowed to say how long my constituents have been waiting for some of the answers I got yesterday. I cannot believe that there was one involving a program that I have been asking since last year for the answer and I could not get it until I put it on the Order Paper.

Mr. Speaker, I think that my rights as a member of Parliament should be the same as those of the ministers or the civil servants who prepare the answers who have at their disposal those answers to those questions for a year, some of them, and I am not allowed to have them. How do you think my constituents feel when the government will not even respect the right of a member of Parliament in this House to have an answer and yet I am told it takes them four hours to prepare it. when we have been waiting a year in some cases to get answers.

I think that we should be able to put into the questions that we put on the written Order Paper how long we have been asking for such an answer.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the arbitrary change in the manner of reporting answers to the House disturbs me. The questions on the Order Paper are a tool provided to members of Parliament and, through them, their constituents, to seek information from the government of the day; information about programs, information about government practices, information about government spending.

It may be quite legitimate for this House to make a determination as to whether the cost of providing that information should also be provided as part of the response. But I do not believe it is up to the government of the day to arbitrarily provide the additional information, particularly because this House has no understanding of how it was arrived at, no assurance that it would withstand an audit, no understanding or knowledge of how the calculations are made. I mean, what are the rates? Also, Mr. Speaker, there is no indication of what this new process is costing the taxpayer in order to track this information.

So, Mr. Speaker, I would ask you to review this, and until such time as you have reviewed the correctness of this change—in fact, to determine whether or not the government can arbitrarily do this—that until that time this information not be collected and not be included in the answers to questions tabled in this House.

• (1600)

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I do not want to delay the House unduly. I just want to say very simply that I think this is the kind of information that the Canadian taxpayer has the right to see.

Second, I remind the Speaker that there is no restriction on the type of answers that I and the ministers provide to questions. I would want the Speaker to keep that in mind in the ruling he may make.

Mr. Speaker: I have heard the point of order raised by the hon. member for Kingston and the Islands and the comment by the hon. member for South West Nova, and the comment of course by the hon. member for Atikokan.

I have also listened carefully to the government House leader and the parliamentary secretary. It may be a fine point but I think hon. members would ask that I get a chance to read carefully the rule under which the answers are given. I shall try to return to the House with something which may be of assistance to all hon. members.

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN ENVIRONMENTAL ADVISORY COUNCIL

TABLING OF DOCUMENT ENTITLED "PROTECTED AREAS—VISION FOR CANADA"

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I have the honour to table today a document submitted to me by the Canadian Environmental Advisory Council and entitled *Protected Areas—Vision for Canada*.

The council plays a major role with the department and advises the minister. My predecessor had requested a consultation paper on this very important issue previously debated in this House.

I now have the privilege of presenting you this paper, Madam Speaker.

* * *

[*English*]

CANARCTIC SHIPPING COMPANY LIMITED

TABLING OF ANNUAL REPORT

Hon. Shirley Martin (Minister of State (Transport)): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the 1990 annual report of the CanArctic Shipping Company Limited.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, pursuant to section 36(8) of the Standing Orders, I have the honour to table in both official languages, the government's response to 10 petitions.

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

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF SIXTH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Madam Speaker, I have the honour, pursuant to Standing Order 34, to table in the House in both official languages the sixth report of the Canadian NATO Parliamentary Association.

* * *

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved for leave to introduce Bill C-32, an act to amend the Canada Assistance Plan.

Motion agreed to, bill read the first time and ordered to be printed.

[*Translation*]

COASTING TRADE ACT

MEASURE TO ENACT

Hon. Don Mazankowski (on behalf of the President of the Treasury Board) moved for leave to introduce Bill C-33, an Act respecting the use of foreign ships and non-duty paid ships in the coasting trade.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

[*English*]

CONSTITUTION ACT, 1867

MEASURE TO AMEND

Mr. Stan Keyes (Hamilton West) moved for leave to introduce Bill C-270, an act to amend the Constitution Act 1867, oath of allegiance.

He said: Madam Speaker, since 1774, members have had to take an oath which has not borne any mention of Canada but to the Crown of Britain. Because of my respect for our institutions and traditions, this bill would not do away with the oath as it stands, but would build on it by having all members pledge allegiance to Canada as well as the Crown.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

GARNISHMENT, ATTACHMENT AND PENSION DIVERSION ACT

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-271, an act respecting the diversion of pension benefits payable in respect of service in the Canadian Forces.

He said: Madam Speaker, the purpose of this bill is to ensure a more equitable distribution of pension funds accumulated by members of the armed forces upon break-up of their marriages.

The government has indicated over the years that it intends to make changes in this area of the law. I am simply trying to speed up the process.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

ROYAL CANADIAN MOUNTED POLICE ACT

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-272, an act to amend the Royal Canadian Mounted Police Act.

He said: Madam Speaker, this bill is one to amend the Royal Canadian Mounted Police Act. The amendments were inspired in the course of reading the annual report of the RCMP Public Complaints Committee.

The Public Complaints Committee recommended a series of changes to the act. I took the liberty of having the complaints drafted as legislation. I am introducing them in the House for the purpose of discussion. I believe that only by drafting these kinds of things into bills can we usefully use the reports that are submitted to this House. I felt it a useful exercise for the House to go through, to study the proposals in detail. That is the purpose of the bill and I invite hon. members to consider the changes to the RCMP Act in accordance with the report of that body.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

FINANCE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I seek consent for three motions which I will present one at a time.

I move:

That the Standing Committee on Finance and necessary staff be authorized to travel to Washington, to study the American experience with spending control legislation, from September 22 to September 24, 1991.

• (1610)

Madam Deputy Speaker: The House has heard the terms of the motion.

An hon. member: Point of order, Madam Speaker.

Madam Deputy Speaker: I cannot take a point of order once a motion has been put. I will recognize the hon. member for Shefford later.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Lapierre: Madam Speaker, I would simply like to point out to the Parliamentary Secretary that it is much easier for us to give consent to motions members opposite have had the decency to give notice of than to motions we have never seen. I notice the Deputy Prime Minister is nodding. I know, this approach is so much easier for them and much less degrading too.

[*English*]

Mr. Cooper: Madam Speaker, I wish to acknowledge the hon. member's intervention and thank him for his co-operation and, as usual, I will do everything I can to co-operate with him in a precedent setting manner.

Madam Deputy Speaker: The hon. parliamentary secretary had another motion.

* * *

HAZARDOUS PRODUCTS ACT

REFERRAL OF SECTION 12 TO STANDING COMMITTEE ON CONSUMER AND CORPORATE AFFAIRS AND GOVERNMENT OPERATIONS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): I move:

That pursuant to section 57 of an act to amend the Hazardous Product Act and the Canada Labour Code to enact the Hazardous Materials Information Review Act and to amend other acts in relation thereto, Chapter 24, Third Supplement, Revised Statutes of Canada, 1985, section 12 of the Act be referred to the Standing Committee on Consumer and Corporate Affairs and Government Operations, and that the committee undertake a comprehensive review of section 12 and submit a report to the House no later than December 1, 1991.

Madam Deputy Speaker: Does the hon. parliamentary secretary have the consent of the House to move the motion?

Some hon. members: Agreed.

[*Translation*]

Madam Deputy Speaker: The House has heard the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

CUSTOMS ACT

REFERRAL OF SECTION 168 TO SPECIAL COMMITTEE

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, I move:

That pursuant to section 168 of an act respecting Customs, Chapter I, Second Supplement, Revised Statutes of Canada, 1985, a special committee of the House undertake a comprehensive review of the provisions and operation of this act and submit a report no later than March 1, 1991; that this special committee be appointed, at the latest, five sitting days after the adoption of this motion, and that the membership be composed of eight members; that the said special committee shall have the powers of the standing committee as per Standing Order 108(1).

I did hear my friend correct me. That should have read March 1, 1992. I thank the hon. member from Saint-Denis.

[*Translation*]

Madam Deputy Speaker: Does the House grant leave to the hon. Parliamentary Secretary to put his motion?

Some hon. members: Agreed.

Madam Deputy Speaker: The House has heard the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

GOODS AND SERVICES TAX

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, I have two petitions which are in conformity with the

rules and regulations of the House of Commons. The first one is with respect to the goods and services tax.

The petitioners point out that this is the 34th tax increase—they note, another one. They also identified that it contributes to higher taxes, higher inflation, higher interest rates and higher unemployment.

They appeal and ask the government to have the decency to withdraw a tax that hurts seniors, students, small businesses and others.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my second petition is with respect to education.

The petitioners point out that the government has reduced the transfers to provinces by $485 million. They are alarmed at the closing of campus employment centres, which they feel is a detriment to their employment possibilities and they are particularly angry at the 3 per cent tax on student loans.

I do not know if you knew this, Madam Speaker, but you have to put the cash out front before you can get the loan. It makes a mockery out of what the government talks about; learning, culture and competitiveness.

COLLECTIVE BARGAINING

Ms. Beth Phinney (Hamilton Mountain): Madam Speaker, I am pleased to present to the House petitions from my constituency of Hamilton Mountain and from other ridings in Canada. These petitioners support their right to collective bargaining.

The petitioners call upon Parliament to continue to reject the imposition of wage controls and reaffirm support for free, collective bargaining for Canadian workers.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I rise today pursuant to Standing Order 36 to present a petition on behalf of residents of Nova Scotia, Quebec, New Brunswick and Ontario.

The petitioners humbly pray and call upon Parliament to support the NDP plan to restore VIA Rail service cut on January 15, 1990, to maintain where appropriate upgrade remote services upon which many Canadians rely and provide a legislative mandate for VIA Rail and to make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the rest of the western world. They want to put Canada back on track.

YUGOSLAVIA

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I have the honour and the privilege today to present petitions signed by the Croatian community of the city I represent, Thunder Bay.

They implore this government to show their deep concern about the fate of the families and their compatriots who are suffering today in Yugoslavia and in particular, Croatia.

What the petitioners are trying to say in essence through their petition is that the Canadian government should realize its obligations in its peacekeeping roles that have been consistent throughout Canada's history since 1956 in its role in the UN, take its obligation seriously, provide the peacekeeping efforts that are so necessary to bring peace and order to Croatia, and recognize the independence and sovereignty of such a nation.

I have the privilege to present this petition on behalf of the Croatian community from Thunder Bay.

SHIPBUILDING

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, while I am on my feet, I would like to present the following petition with over 1,000 names from the United Steel Workers in the area of Thunder Bay. They petition this government to reconsider its program with respect to the defence contract that is pending on the mine sweeper program.

The petitioners are concerned about the viability of the future of the shipbuilding industry in Ontario. They know that if Ontario is not the recipient of part of this government contract, part of this mine sweeper program, that the shipbuilding industry in the province of Ontario could very well close down putting out all of the workers, not only the iron workers who are presently employed by the boilermakers union in Port Weller but the shipbuilding industry in Thunder Bay.

Therefore, I have the pleasure of presenting this petition on their behalf today and implore the government to act accordingly.

COLLECTIVE BARGAINING

Mr. Robert D. Nault (Kenora—Rainy River): Madam Speaker, it is my pleasure today, pursuant to Standing Order 36, to present four petitions all on the same subject from my constituents of Kenora—Rainy River, specifically Ear Falls, Dryden, Emo, Rainy river and of course Fort Frances.

These petitioners humbly pray that the Parliament of Canada will reject the imposition of a wage freeze and will consider the importance of the collective bargaining process in this country and how fragile it can be for all Canadians.

While I am on my feet, I would like to take the opportunity to congratulate the minister on the job well done yesterday, for getting both parties back to the bargaining table and giving them an opportunity to get a collective agreement that will make everyone happy and help us to make this country as great as it can be.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I too would like to present, pursuant to Standing Order 36, over 800 signed petitions from my constituency of Winnipeg North and from across Canada.

The petitioners call upon Parliament to reject the imposition of wage controls and reaffirm its support for the principle of collective bargaining now enshrined in law for all Canadian workers.

Like my colleague from Kenora—Rainy River, I would like to congratulate the President of the Treasury Board for eventually agreeing that the government will sit down at the bargaining table with the Public Service Alliance of Canada on behalf of its members. I am glad that the government has listened to the demand of the opposition led by my leader in this House.

I am proceeding with the presentation of this petition to safeguard the interests of all public servants, especially the women workers who also cry for pay equity, particularly in view of the votes of just a few minutes ago. Therefore the parliamentary sword of Damocles still hangs over Canadian workers.

• (1620)

NORTH THOMPSON RIVER

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is an honour to present a petition pursuant to Standing Order 36 from a number of residents of Avola, Clearwater, Little Fort and Kamloops who are concerned about a proposal to dam the North Thompson River at a community named Vavenby in order to divert water into the San Diego, California area through a series of canals and pipelines and river systems.

They remind us of the NAWPA proposal, which is of course to divert Canadian rivers into the United States and northern Mexico. They are simply calling upon the government to indicate categorically to the Americans that it will not permit our fresh water rivers to be dammed and diverted into the United States and to state clearly that Canadian rivers are not for sale.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I have petition on another matter to present on behalf of a number of constituents from a variety of communities in my constituency and elsewhere.

They are concerned of the possibility of still further cutbacks to the Royal Canadian Mounted Police and are simply calling upon the Government of Canada to ensure that proper funding is provided to the RCMP to enable it to fulfil its mandate as expected.

COLLECTIVE BARGAINING

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, I am pleased to rise to present a petition today signed by hundreds of Canadians from across Ontario, particularly from Mississauga, Burlington, Caledon East, Brampton, Osgoode, Cornwall, Kitchener, and other places closer to Ottawa.

These petitioners humbly pray and call upon Parliament to reject the imposition of wage controls and reaffirm their support for the collective bargaining process in Canada. I am sure they are delighted with the outcome of the negotiations yesterday and are pleased that we will not be proceeding with the bill, at least pending the resolution of the current labour dispute.

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, if question No. 94 could be made an order for return, that return would be tabled immediately.

Madam Deputy Speaker: Is it the pleasure of the House that question No. 94 be deemed to have been made an order for return?

Some hon. members: Agreed.

[*Text*]

Question No. 94—**Mr. Althouse:**

For each year since 1989, has Agriculture Canada undertaken field testing of genetically altered crops and, if so, (a) what tests were done (b) were environmental assessment studies carried out before each test and, if not, why not?

Return tabled.

[*Translation*]

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

[*English*]

Mr. Milliken: Madam Speaker, I rise on a point of order. To say that I was heart broken to see that my question was not answered yesterday is putting it mildly.

On May 13, I placed a question on the Order Paper which I had previously placed on the Order Paper on February 25 this year. I asked for a 45-day response. It is still unanswered.

The hon. member for Lac-Saint-Jean was on his feet a little while ago asking about the situation in Montreal. I can understand why he was not asking about his constituency because my question asks about government largesse in that constituency in the by-election.

I ask what promises the government has made and whether they have been fulfilled. I think it is fair that the answer would not take eight or nine months. This is simply an abuse of the process, and I ask the parliamentary secretary to look into this matter and provide the answer at an early date. It has got past the stage where I should have to rise and object. I have done so on two occasions before and have had my pleas fall on deaf ears.

Mr. Cooper: Madam Speaker, I thank the hon. member for raising his concerns. I must apologize to him. I am quite certain I signed that particular question off. I thought I had tabled it in yesterday's group. I will certainly check to see where it is because it was my understanding, if my memory serves me right, I signed off several over the weekend and I was quite certain that his was in that group. I will check.

* * *

MOTIONS FOR PAPERS

Mr. Albert Cooper (Parliamentary Secretary to Minister of State and Leader of the Government in the House of Commons): Madam Speaker, would you be so kind as to call Notices of Motions for the Production of Papers Nos. P-2 and P-3 in the name of the hon. member for Churchill.

P-2—Mr. Murphy

That an Order of the House do issue for copies of all correspondence and communications regarding the issue of Bill C-79 between the Prime Minister, the Prime Minister's Office, the Privy Council Office, and any Cabinet Ministers and/or their agents and the member of Parliament for Lévis, or anyone acting on his behalf.

Mr. Cooper: Madam Speaker, there was no correspondence or communications exchanged between the Privy Council Office and the member of Parliament for Lévis on the issue of Bill C-79.

A copy of Order in Council PC-1991-813 dated May 7, 1991 was faxed to the member of Parliament for Lévis on May 7, 1991 from the Privy Council Office. As for any communications between the Prime Minister, the Prime Minister's Office, cabinet ministers and the member of Parliament for Lévis, it is not the policy of the government to divulge communications between members of Parliament and ministers.

I therefore ask the hon. member to withdraw his motion and ask that it be transferred for debate.

Madam Deputy Speaker: Transferred for debate.

P-3—Mr. Murphy

That an Order of the House do issue for copies of all correspondence and communications regarding the issue of Bill C-79, between the Prime Minister, the Prime Minister's Office, the Privy Council Office, and any Cabinet Ministers and/or their agents

and the Member of Parliament for Lotbiniére, or anyone acting on his behalf.

Mr. Cooper: There was no correspondence or communications on the issue of Bill C–79 between the Privy Council Office and the member of Parliament for Lotbiniére.

As for any communications between the Prime Minister, the Prime Minister's Office, cabinet ministers and the member of Parliament for Lotbiniére, it is not the policy of the government to divulge communications between members of Parliament and ministers.

I therefore ask the hon. member to withdraw his motion. In the case of his absence, once again perhaps we can transfer that for debate.

Madam Deputy Speaker: Transferred for debate.

Mr. Cooper: Madam Speaker, I ask that the other Notices of Motions for the Production of Papers be allowed to stand.

Madam Deputy Speaker: Shall the other Notices of Motions for the Production of Papers be allowed to stand?

Some hon. members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 52

AGRICULTURE

Madam Deputy Speaker: I have received one application pursuant to Standing Order 52.

Mr. Maurice Foster (Algoma): Madam Speaker, this motion calls for a special debate under Standing Order 52 to address the serious problems facing the Canadian agricultural industry today.

Desperate financial cash flow problems are facing a generation of Canadian farmers. This is due to the government's drastic cutback in income support during the 1990–91 crop year, the lack of emergency transitional funding as the government was moving from an old system of *ad hoc* assistance to a new program for the new crop year 1991–92, and the lack of that additional cash. As well, the situation has been exacerbated by droughts in some parts of southern Ontario.

The crisis is very real. Canadian farmers are suffering. This issue needs to be addressed by the House of Commons. I call on the Chair and the government to debate this important issue so that farmers will know that members of the House of Commons are concerned and ready to act on it.

Madam Deputy Speaker: I thank the hon. member for Algoma for his explanation. Coming from a rural riding myself, I know that there are problems out there and that some efforts are being made.

On the other hand, there other things that we could talk about today. Tomorrow being an allotted day, the hon. member may want to discuss this with his party and try to bring this subject to the House very shortly. I do hope that it is brought to the House very shortly.

GOVERNMENT ORDERS

[*English*]

DEBT SERVICING AND REDUCTION ACCOUNT ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance) moved that Bill C–21, an act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada, and referred to Legislative Committee F.

He said: Madam Speaker, I am very pleased to move second reading of Bill C–21, the Debt Servicing and Reduction Account.

The legislation we are dealing with today is part of the comprehensive package of policies and programs that date back to 1984, a strategy designed to put Canada on the road to economic recovery and restore long–term prosperity. It was particularly designed to help Canada meet the challenges of globalization, which all countries of the world have to face, especially those countries which are heavily reliant on exports, as is Canada.

• (1630)

The initiative begun in November 1984, as reinforced in the February 1991 budget, set out a comprehensive plan for economic recovery based upon controlling inflation, improving our competitiveness, and controlling government expenditure, with the objective of achieving sustainable growth with price stability.

This bill is part and parcel of that initiative, as is the proposed spending control legislation which is currently being studied by a committee of this House.

This government is committed to a policy of sustainable growth with price stability. We are committed to an economy that can support the social programs that have made Canada a good place to live. We are committed to ensuring that our tax system is fair and to deficit reduction and debt control. We are committed to this because we want to ensure that future generations will not be strangled by the huge overhanging burden of debt.

Fiscal responsibility is more than a matter of protecting the interests of the future generations of Canadians who are not here to speak for themselves. Greater fiscal responsibility is essential for improving the health of the Canadian economy in 1991 as we head into the next decade. Essentially it is important for a strong recovery, sustained growth, and renewed prosperity.

Since 1984 we have been taking a number of steps to reduce the federal deficit so that we can control and reduce the burden of national debt. We have done this by cutting waste and inefficiency, by controlling spending, and by imposing new taxes where necessary.

The recession that began in the spring of 1990 placed new upward pressure on the deficit. Government revenues have been lower than expected in the February 1990 budget and expenditures have been increased in order to meet the needs of the needy, particularly in the form of unemployment insurance payments to aid farmers who are plagued by low prices, particularly in the grains and oilseeds sector, resulting from the trade war.

In the plan for economic recovery that we introduced in the February 1991 budget the government renewed and reinforced its commitment to deficit reduction and debt control. The plan puts emphasis on controlling expenditures to reduce the deficit and help bring down inflation, which is obviously the key to lower interest rates.

We have already seen the effect of lower interest rates resulting from the reduction of inflationary pressures and inflationary expectations.

The plan severely controls the cost of government and extends the two-year expenditure control program which we introduced in the 1990 budget through to 1994-1995.

The debt servicing and reduction account is one of the important new weapons that we have introduced to help us in this continuing fiscal battle. To put it into context, we need to look at the origin of Canada's serious debt problem which began in the mid-1970s.

From 1950 through to 1973 Canadians enjoyed an outstanding record of economic growth and personal prosperity. Our standard of living virtually doubled in a single generation. Inflation at that time was less than 3 per cent. This kept interest rates down and governments generally lived within their means so that the annual federal deficits were small or non-existent.

Starting in the mid-1970s Canadians began to take prosperity for granted. Wages and prices began to climb dramatically. Each year the government began to spend more and more money than it collected. In fact, by 1984 for every dollar of tax the government collected, for every dollar it received in the form of revenue, it was spending $1.33 on its programs and services. The government had to borrow the money to cover this difference.

From 1974 to 1984 the debt rose from $27 billion to $206 billion. That is an increase of 800 per cent.

The plain fact today is that the interest payments on the 1984 debt of $206 billion which we inherited are the only reason we are in a deficit position today and the direct cause of the debt having nearly doubled in the last six years.

Since 1984 the government has turned a $16 billion operating deficit into a $13 billion operating surplus. That is a turnaround of about $29 billion since the 1984-85 fiscal year.

During that same period the annual debt interest cost has increased by $21 billion, leaving a net reduction of only $8 billion on the deficit. There is a continuing increase in the cost of servicing the debt which is being compounded and that increase has been the only contributing factor to the growth of our national debt.

Throughout this period the government has had to carry the growing burden of compound interest charges

on the $206 billion debt it inherited. As a result, public debt today is in the range of $400 billion.

The government is now spending more on interest than on old age security, family allowances, veterans' pensions and unemployment insurance combined.

In the face of this mountain of debt our fiscal and economic strategy has resulted in substantial progress over the last six years. For example, program spending as a percentage of Gross Domestic Product has dropped from 19.6 per cent to 16 per cent. That is a 3.6 per cent difference which is equivalent to $24 billion less in annual spending.

That is the lowest level of spending as a percentage of GDP in 20 years. The average annual growth rate of program spending during this period of time has been cut from an annualized increase of 13.8 per cent. There was an annualized increase of 13.8 per cent in program expenditure increases for 15 years prior to 1984–85. It was 13.8 per cent. That has been reduced to a level of 3.7 per cent, well below the rate of inflation at 4.4 per cent.

We intend to reduce that to 3 per cent as a result of the spending control legislation which we will be introducing and dealing with later.

This compares to a 5.8 per cent figure in the United States for this year. The United States will be carrying a deficit of $350 billion in fiscal 1992, the year which will begin in October 1991.

This spending restraint has helped us to slow the growth of the national debt. In 1984–85 the debt was growing at an annual rate of about 25 per cent. Today, it is less than 10 per cent. However, as colleagues in this House know, it is still not acceptable.

With our budget measures, we aim to eliminate completely the need for new borrowing within four years and to begin reducing our outstanding publicly held debt by that time.

I should say that if we had followed the same policy course that was prevalent prior to 1984–85 and into the year 1984–85, had we done nothing, we would be looking at a deficit today of something in the order of $100 billion. That would be very, very serious.

Progress has been made and I know my hon. friend across will agree with that.

While tax increases have been necessary, government program expenditures have carried two–thirds of the burden of restraint. That is the ratio.

Expenditure cutting as we all know is a difficult exercise and it is becoming increasingly more difficult for the government and for Canadians.

We all know that a good portion of federal government spending is spent on fiscal transfers to people and provinces. Today, more than half of all program spending consists of major transfers to persons and other levels of government.

The tax points that are provided for, along with the transfers to the provinces and transfers to persons in the form of old age pensions, family allowances, veterans' pensions, et cetera as well as the Established Programs Financing and the equalization program, would amount to about $77.5 billion for this year. That is a huge amount of money in cash and in tax points.

• (1640)

The other large area of program spending is provincial transfers supporting health care, education, and welfare services. The two combined work out to about $77.5 billion. The rest of the program spending covers every other aspect of government activity, including national defence and the internal operations of government. If we take inflation into consideration, the cost of government operations has been reduced by about 25 per cent. We continue to work to cut out waste and inefficiency, overlap, and duplication.

As we all know, every time we go through the exercise of expenditure reduction, it gets increasingly more difficult. On the other hand, the pressure is always there to spend more. Managing the government spending priorities within a tight fiscal discipline is a pressing challenge that we face as a government. I think it is a pressing challenge that each and every one of us face as individual members of Parliament. It is a challenge that must be met.

I have already noted that Canadians have been called upon to pay more taxes to help deal with the deficit and the debt. The progress that has been made in dealing with the deficit has come from two sources: expenditure reduction and increased taxes. It is about two–thirds expenditure reduction and one–third from taxes.

If my hon. friend checks, he will find that is correct.

We should know and we must realize that every time the government is called upon to provide new programs they can only be funded two ways, either through new taxes or through an increase in the deficit. There are really no other options. We all have to face that task because all of us are being judged on how we contain federal spending and whether we are good custodians of the public purse.

How a country's tax system operates is critical to the economic well-being and that is why tax reform is such an important part of our economic strategy. We all know that we have gone through a number of changes in the tax system since we became the government in 1984, seven years ago yesterday.

Hon. members will recall that in stage one of the tax reform, we lowered and simplified the personal income tax regime. We replaced many personal tax deductions with tax credits, eliminated others, and eliminated or reduced many special corporate tax breaks and introduced a corporations tax. Stage two of the tax reform process was sales tax reform, which is also an integral part of our economic plan to eliminate the deficit and reverse the growing debt problem that we face.

We believe the goods and services tax is key to strengthening the economy and managing our fiscal problems in a way that keeps Canada growing, producing jobs and better living standards for all Canadians. By increasing Canadian competitiveness and by removing other economic distortions, the GST will create a healthier economy. Real domestic output is expected to expand by as much as 1.4 per cent annually or by some $9 billion in today's dollars as a result of replacing the old outdated federal sales tax with the GST. The old FST was commonly referred to as a silent killer of jobs.

This is an important structural change. It is an important structural change to make the tax system fairer and to enhance Canada's competitiveness. The Canadian Manufacturers' Association has spoken out in the last couple of days to criticize the federal government. It had called upon successive federal governments to overhaul the federal sales tax and put in place a better tax system that would make manufacturers more competitive so that they could compete more effectively in the export market.

Obviously the ultimate design of the GST was a reflection of the extensive consultation that took place during the course of its development with business groups, Canadian Manufacturers' Association, trade associations, tax professionals, social groups, and ordinary Canadians to ensure that the new system put in place would be the fairest possible. It is a major, major undertaking to put in place a new tax system such as the GST.

As a result of this process we incorporated a number of special features in the design, for example the simplified accounting measures, the public sector rebates to municipalities, to universities, to schools, to colleges, to hospitals, the rebates to charities and non-profit organizations, the GST credit, the housing rebate, just to name a few. Now that the tax is being implemented, we are still making changes, fine tuning and ensuring that the tax is administered in a fair and equitable way. This is an ongoing process and will continue to be an ongoing process to ensure that the system works to the advantage of all concerned.

More recently we have been listening to many Canadians who are concerned that the revenues from the GST might be used to finance new spending programs instead of reducing the deficit. We know that during the course of the debate many Canadians said: "Look, I wouldn't mind the GST if I was assured that this money would be earmarked to pay down the debt or help defray the cost of carrying the debt". There was concern about the fact that it would generate more revenue than that which was projected. There were accusations it would be a cash cow.

In recognition of that fact the Prime Minister gave a commitment that the GST revenues would be used only to contribute to the deficit reduction rather than to provide the government with leeway to expand discretionary program spending. In this bill the debt servicing and reduction account delivers on that commitment.

To our critics who will maintain that the GST will provide the government with revenues to spend on unnecessary discretionary programs, I say this: The object of the government has been and continues to be to cut costs and control spending wherever possible so that the deficit can be reduced. The fiscal progress that we have achieved results in large part from a determined adherence to this objective.

We know that we will be judged, as will any other government, on how we stick to this course. I suspect all members of Parliament will be judged on this course of action and the results or the successes that we achieve.

The debt servicing and reduction account will receive the net revenues from the goods and services tax, net proceeds from the sale of Crown corporations, and earmarked contributions for the debt reduction from individuals or businesses. It really will accommodate three specific cash flows.

By net revenues of the GST we mean that this will result in the flowing to the fund of the GST revenues after paying for the various rebates and credits that are directly a part of the goods and services tax, for example the low income GST credit, the input tax credit, the housing rebate, the tourism rebate, and the GST transitional grant to small business. In addition, private citizens and businesses will be able to make direct tax deductible contributions to the fund.

The revenues deposited to the debt servicing and reduction account will be used to pay the interest on the public debt and over time to pay down the debt itself. The bill requires that the account be audited annually by the Auditor General of Canada.

The debt servicing and reduction account we believe is a key step in assuring Canadians that the GST revenues will be used only for deficit reduction, rather than new program spending. To reinforce this initiative the government announced I believe a very important complementary measure, and that is legislated limits on program spending which will result in a program ceiling of government spending over the next five years.

Legislated spending controls will represent a fundamental change in how the federal government operates. Difficult choices and tradeoffs and reallocations will be required if spending exceeds the limits set out in the budget. This is especially so, bearing in mind that so many of our program expenditures are governed by statute and so many of them are indexed. It is going to take a great deal of skill and management to achieve these targets.

• (1650)

That places a greater deal of importance upon the need to contain inflation, because as we can contain inflation we can contain the costs associated with indexation. The fight against inflation is critical in terms of bringing down and keeping interest rates down. It is critical in terms of bringing down and keeping government expenditures down in the interest of fairness and equity for all Canadians, particularly for those Canadians who are on fixed incomes or our senior citizens.

It will take time, I am sure, for Canadians to appreciate fully what these spending limits mean. But, as a good illustration, I think we only have to look at the wage policy outlined in the February 1991 budget which limits Public Service salary increases to 0 per cent and 3 per cent.

Some would say this would cost a few hundred million dollars and we should have gone along with the PSAC. But, as I said earlier, to do this would mean we would either have to impose a new tax or increase the deficit; in other words borrow more money. Those are the two options.

Mr. Manley: Don't forget about cutting.

Mr. Mazankowski: Oh, yes, we have talked about cutting and we have heard from opposition members about cutting. We have heard their response. Every time we have tried to cut back we have heard the howls coming from across the way.

Mr. Fulton: How about the corporate sector?

Mr. Mazankowski: The corporate sector's profit and balance sheet does not look very good. The hon. member is the first guy to stand up in the House and cry for jobs. Where does he think we are going to get the jobs from if we are not going to get them from the corporate sector? Unless you have got healthy balance sheets in the corporate sector, you are not going to have any investment that will create the jobs. The hon. member speaks out of both sides of his mouth.

Some hon. members: Hear, hear.

Mr. Mazankowski: We will see where the hon. members come down, whether they want to continue the old ways of spend today and borrow tomorrow that brought us that 800 per cent increase, that eightfold increase in the public debt in a 10-year period. That is when it all happened and that was in great times.

The proposed Spending Control Act will ensure that any government that tries to break the spending limits will be held accountable to Parliament for its actions. The legislation was introduced in draft form and it is now being studied by the House of Commons. We hope that we will be able to proceed with this bill very quickly in

the House as soon as we get the report back from the committee.

Our intention is that both the debt servicing and reduction account and the spending control limits will be in effect for 1991–92.

Mr. Lapierre: Preston Manning wants it.

Mr. Mazankowski: He is talking about Preston Manning. I understand that there is an organic union taking place between the Bloc Quebecois and the Reform Party of Canada. That will be an interesting mating season, I am sure.

Mr. Mills: Be careful of those descriptions in this House.

Mr. Mazankowski: Yes, I guess so. In light of the debate that has been going on, I guess I will have to.

Working together, the two measures will ensure that the GST revenues will not be used to fund new programs but only be used to reduce the deficit.

As a result of these and other budget measures, the deficit will be held to $30.5 billion this year, then fall to $25 billion in 1992–93 for the first time in a decade. The deficit is then forecast to decline rapidly year by year to reach $6.5 billion by 1995–96. The net public debt will begin to decline as a percentage of Gross Domestic Product in 1992–93. By 1994–95, the need for additional borrowing from the public will be eliminated for the first time since 1969 and 1970. The government at that time will begin the painful process of starting to pay down publicly held debt, and that will be a alleluia day for all of us I am sure.

These are indeed challenging measures at challenging times. They are matched to the toughness of the fiscal challenge that faces Canada. They reflect the government's commitment to winning the battle against the deficit and the debt and they reflect the views of many Canadians who have told the government to lead the way and take decisive action necessary to get the job done. I think they have gone beyond the government. I think they have asked MPs to lead the way to fight the battle of the deficit and the debt.

Deficit and debt control are vital foundations for more than just our future economic prosperity. They can contribute directly to the bonds that link us together as a nation. One of the keys to strengthening the unity of our country is to strengthen our economic union and improve our fiscal position. This will help generate the confidence and make available the resources we need to address the regional aspirations and social concerns that challenge us all.

By putting our financial house in order, we can help to ensure a prosperous, united future for all Canadians. Unity, prosperity, economic renewal, political responsiveness, all of these are inter–related. These are the goals that have guided and will continue to guide our policies and the future we seek for Canada. By continuing to fulfil our commitment to these goals, we will ensure that Canada continues to provide generous social and economic benefits to its citizens.

This is an important piece of legislation. This is an important debate and I know that all members will take a very deep interest in it for what it means and what it will do. I urge that all members support this bill. I hope that we can move it through the House and through the committee with dispatch.

[*Translation*]

Mr. John Manley (Ottawa South): Madam Speaker, today I would like to say a few words about the bill but also about our national debt and national deficit.

First of all, I want to say we intend to support the principle of the bill on second reading, so that it can be referred to committee for consideration.

[*English*]

We will support this Bill C–21 in principle at second reading so that it can go to committee and so that we can study it further. In doing so, there are two principles which we see at issue here that we are willing to support.

The first of these is that the revenue from the GST not be used to go into the patronage tank or the vote–buying tank that many of us suspect it was intended for when the GST was brought in. If a measure can succeed in doing that, it is worthy of our support.

The second principle we see in the bill that we are willing to support is that the growing problem of the government debt and the continuing problem of its deficit need to be addressed.

On behalf of my party I am prepared to say that we recognize that, indeed, the problem of the deficit which has been continuing over the years of this government is one that has to be addressed and understood by all Canadians.

There is a lot of misunderstanding about what the deficit and the debt mean and why they are what they are today. I would like to address some of those before I talk more directly about the bill that is before us.

I want to say that it is clear that Canada's problem with debt and deficit is one that has to be addressed, because in relative terms to other countries with which we compete in the Group of Seven, we are doing and have been doing rather badly.

For example, I will cite some of these numbers. They are not entirely up to date. In 1989 for example, the government deficit in Canada as a percentage of GDP was 4.9 per cent, including not just the federal government, but also the provincial governments.

Other than Italy at 10 per cent, that is worse than all other countries in the G–7.

• (1700)

Similarly, our total government debt, federal and provincial again, as a percentage of GDP in 1989 had reached 71.6 per cent. That too, is higher than all other G–7 countries other than Italy which was at 97 per cent.

For example, France in that year when we were 71.6 per cent was at 47.3 per cent. The United Kingdom, 39.6 per cent; Germany, 42.7 per cent. In relative terms, I think it is clear that the deficit, as it has accumulated and built into a debt now of about $400 billion at the federal level in Canada, is a problem that needs to be addressed by this government and by any government. It cannot be put aside, and it cannot be trivialized.

It is clear that our debt has to be financed out of either our savings domestically or out of attracting savings from other countries. This is contributing in part to the level of interest rates that we are having to pay. That is clearly acknowledged.

There are some things that I think have been misunderstood by Canadians. There is a popular fear and despair in Canada that if we do not pay off the debt, in some strange way we will not own Canada.

I would like to go back to 1984 when the then Minister of Finance presented his statement in November 1984, soon after the election, when he talked about the borrowing being analogous to a family with its mortgage.

He expressed the view that many of us have taken on heavy debts with the expectation that our incomes would rise and that we would be able to accommodate the debt load as our incomes went up: mortgages, consumer loans and so on.

He talked about that, and I think that it is an appropriate analogy in this sense. The problem that we are experiencing in Canada as we watch the total debt faced by Canadian governments rising in relation to our income, measured for example by our Gross Domestic Product, is the problem that we have to be concerned about.

At the federal level as we approach about a 60 per cent ratio of the debt to the GDP, we have a problem. We have a much greater problem than we had in the early 1980s when we went into the 1981 recession when that ratio was in the order of 30 per cent.

As we went into a recession a little over a year ago, the resources were limited to deal with that recession in ways that they were not limited in 1982.

I take exception to the rather simplistic explanations of the development of the debt situation in the previous recession, at a time when our abilities to spend in order to resolve the issue of the recession, which was very acute at the time, were much greater. In other words, the resources that were turned to fighting the recession in 1982 were available to a country whose debt was only about 30 per cent of the federal level, 32 per cent of its Gross Domestic Product.

We went into the recession in 1990. We were experiencing a ratio at that time in the mid–fifties. The minister has said that he expects that ratio is finally going to turn down as we approach the next year. We can only hope that he is correct.

The record of his government in making such projections is rather dismal at best. I go back to his predecessor's statements in 1984 when he said that if the current policies, the ones that he inherited, continued that the debt by the end of the decade of the 1980s would be approaching $400 billion.

In fact, he says that by 1990, it could approach $410 billion. Here we are in 1991 and by the end of this fiscal year we should be, I think, at about $419 billion. Again and again over the course of his years as Minister of Finance, the previous minister talked about deficit reduction and controlling the debt. He talked about it in his November statement. He talked about it in the 1985 budget, his first budget presented as Minister of Finance. He talked at that time about, and I quote: "a clear and realistic medium-term plan."

In that 1985 budget, with its clear and realistic medium-term plan, he said that the budgetary deficit, which had been anticipated for 1984-85 to be at $36 billion, would be reduced by 1990-91 by $20 billion. In other words, he was projecting back there with his clear and realistic plan a budgetary deficit for the year just ended this past April of about $16 billion. What did he accomplish? He accomplished a deficit in reality of $30.5 billion.

In his 1986 budget, the minister had adjusted his projections into the future that he had made in his realistic and medium-term plan. By 1986 he thought that by 1990-91 we would have a deficit of $22 billion. So he was about $6 billion closer, as it turned out, a year later. And so on it goes.

By 1989, after the election, he was no longer offering clear and realistic plans. He was offering, and I quote, "an ambitious five-year fiscal plan." Perhaps because his projections had been so bad in his realistic plan, he thought by calling it ambitious it would give him a little bit of an escape hatch if he missed on his projections that time around.

What he projected then was a budgetary deficit in 1990-91 of $28.5 billion. He was off by $2 billion as it turned out. He thought by 1993-94 it would be $14 billion and by 1994-95 he thought it would be $10 billion.

What happened under the ambitious five-year plan. In 1988-89 we had a deficit of $28.7 billion. In 1989-90 we had a deficit of $29 billion. In 1990-91 we had a deficit of $30.5 billion, and in 1991-92 we are expecting a deficit again of $30.5 billion.

So under the ambitious five-year plan for reducing the deficit, it rose from $28.7 billion to $30.5 billion, and I guess that is what the minister would have called progress.

With that legacy, Madam Speaker, it troubles me when I get out the 1991 budget, this year's budget, and see what he is promising under this five-year plan. I do not have an adjective for this one. Neither did he describe it as clear and realistic, nor did he describe it as ambitious. But here is what he is saying is going to happen. He said that between 1991-92 and 1992-93 the deficit would drop by $6.5 billion. It would drop to $24 billion. It would drop to $16.6 billion in 1993-94 and to $10 billion in 1994-95 and down to $6.5 billion in 1995-96.

If he had achieved what he had set out to achieve in 1984, we would not even be looking at these large numbers today. What is the history that has gone behind this. We had in the 1980s a period of exceptional economic growth, continuing and prolonged.

• (1710)

I am sure the current minister would agree that the idea is to reduce the deficit in good times so that you have got the resources to fight recessions in bad times.

What happened in the good times of the 1980s? This government talked about deficit reduction and managed while increasing taxes many times to increase the deficit virtually year after year, not quite but by the time we got into the 1980s it was going up each year, and at the same time to reach the targeted debt which the bad old Liberals would have produced if their policies had not changed in 1984. In other words, they failed totally in what they claimed to be able to do and what they set out to accomplish.

It does not give me a very good feeling about supporting this latest effort at convincing Canadians that we are bringing down the deficit.

There are some other fundamental concerns about the economic policies that have been pursued by this government and its ability to achieve economic projections based on what it has done in the past.

Let me start though by going back again to that 1984 statement by the minister. I am sure you hear, Madam Speaker, that the government has alleged that when it came into office the deficit was $38 billion. It has been said on the other side of the House.

That was the deficit at the end of the fiscal year 1984-85. This government was elected half way through that year. The Minister of Finance, when he came into the House in November, having looked at the books, proposed a number of serious policy changes. He said that had he not proposed those changes, and I quote:

"With no policy changes the deficit for this fiscal year would be $34.5 billion". That is in November 1984.

By the end of March 1985, he had managed to run it up to $38 billion. Then he spent the last seven years going around Canada claiming that the Liberals left an annual deficit of $38 billion.

In the interests of keeping the record straight, surely the government will take responsibility for the last $4 billion it added on between November and the end of March when it shoved through every possible expenditure in the hope that it could build up that deficit and then claim to have reduced it in percentage terms over the following years.

Let us look at what has been happening throughout its mandate. We have experienced a recession over the last year and a half that was clearly induced by the need, claimed by this government, to pursue a monetary policy that would control inflation.

You have to ask yourself how we got into inflationary times five years into the mandate of this government. I suggest to you, Madam Speaker, that the answer lies in the economy of 1988. It was a very rapidly growing economy. It grew close to 5 per cent in 1988. What policies did the government pursue at that time?

It pursued policies of tax cuts introduced in the first phase of tax reform in 1987 and it pursued a policy of relatively lower interest rates. You will recall that the interest rates began to increase sharply at the end of November 1988. I find it passing strange that when the economy was growing that quickly that prudent managers of the economy would bring in both tax cuts and low interest rates.

The only explanation that I have been able to think of is that we had an election in this country on November 21, 1988. As a result by 1989 Governor Crow was appearing before the finance committee saying that he had brought interest rates up very sharply in order to address the very fast economy that we were experiencing and had been experiencing through the end of 1988, rapid wage increases, a very hot housing market in southern Ontario.

I suggest that more prudent policies pursued in 1988 might have been less popular at election time but would have preserved the growth in the economy on a more sustained basis through 1990. Our recession need not have been induced by the government. One and a half million Canadians need not have been put out of work, even if we are arguing on the government's own terms.

Furthermore, throughout its mandate the government has failed to ensure Canada's future economic growth by failing to pursue policies intended to build a skilled and adaptive work force, more scientific research and development and more aggressive multilateral trade relations.

Its policy has been quite clear. It addressed one kind of deficit alone. It only addressed the financial deficit. It has failed to address the deficit in spending on research and development. It failed to address the deficit in training, in education. Why is it that in a country like Canada 30 per cent of our high school students drop out before completing school? Why is it that we have a high illiteracy rate? How on earth are we going to compete, not with the Mexicans but with the Japanese and the Germans, and even the Americans? If the government only focuses on one deficit, it will create deficits in many other areas.

What about the deficit in our infrastructure? Why is it that across Canada roads and bridges and sewers are breaking down, and governments at every level are feeling the strain of maintaining those resources? They are key to our future economic development. Sometimes you have to spend a dollar to make a dollar. I think that is how the business community would describe it.

Why is it that this government pursued a bilateral free trade agreement with the United States of America promising, and I quote, "massive adjustment programs", and delivered on none of the training programs or adjustment programs that were so necessary to ensure that our work force continued to be employed during the difficult adjustment phase that necessarily followed the implementation of that agreement? When the agreement was combined with an increase in the Canadian dollar, from about 76 cents when the trade agreement was negotiated today at 88 cents, how on earth did the government expect Canadian manufacturers to compete without any assistance?

An hon. member: Talk about those numbers.

Mr. Manley: Government members do not like to talk about those numbers. They do not like to talk about the deficit in manufacturing jobs that they have generated through their policies over the last two years—300,000 plus jobs lost. That is a deficit.

So now we are presented with this bill, the debt financing and reduction account act.

An hon. member: Smoke and mirrors.

Mr. Manley: Well, I have said we will support it in principle but frankly I have trouble doing it with a straight face.

Let me tell you, Madam Speaker, what the 1991 budget says about the debt servicing and reduction fund.

• (1720)

After the first full year of operation, ending in 1992, the balance in the debt servicing and reduction fund will be a deficit of $26.85 billion. The second year $25.69 billion will be added to that. After five years of operation the fund will have a deficit of $121.765 billion. This is not my number. These are the government's numbers, page 94 of the budget. What kind of a debt reduction fund is that?

For that matter, if you remember, this GST tax was to be revenue neutral. Revenue neutral in relation to what? The government started talking about replacing the old federal sales tax with a value added tax at the time of tax reform in 1987. Then it put it off. It cut income taxes in 1988, as I have mentioned, just prior to the election and then introduced its technical paper on the goods and services tax about a year after the election in 1989. Government members did not want to talk too much about it during the election campaign, although the hon. member for Mississauga South managed to put his foot in it during the election campaign and said that the tax was going to bring in a lot more money than anyone was admitting.

An hon. member: An extra $10 billion.

Mr. Manley: He said an extra $10 billion and was promptly told to be quiet. He was right about those numbers.

What astonishes me is that a government that tried to finesse this tax through on the basis that it was going to be revenue neutral is now trying to finesse it through on the basis that it is going to be used to reduce the deficit. How can the government have it both ways? If it is revenue neutral then it is neutral in its impact on the deficit. If it is not revenue neutral, then why did the government say it was revenue neutral? Furthermore, as I said earlier, revenue neutral in relation to what?

When the Conservatives took office, the federal sales tax was 9 per cent. They raised it to 10 per cent. Then they raised it to 11 per cent. Then they raised it to 12 per cent. We must remember that all this time we were being told that the federal sales tax was a terrible tax. It was doing untold damage to Canada's manufacturing sector. It was unfair. It was terrible. When they went into the election at 12 per cent and still did not want to talk too much about the GST they just said: "There will be a new national sales tax and it will be revenue neutral compared to the old one". Then they raised this terrible tax to 13.5 per cent. It is still not revenue neutral because now they want to use it to lower the deficit.

With all these reservations, with my conviction that what is really going on here is a bit of smoke and mirrors, a bit of flimflam, another attempt by this government to fool Canadians into thinking they are doing something serious about the financial mess they have created while in office for seven years, why would I say that we will support it in principle at second reading? It is a bit of a stretch I have to admit.

The basis of our support in principle is that, first, the GST proceeds must not be spent on buying votes in the next election campaign by this government. Second, Canadians have to realize that the deficit and the debt is a problem recognized by national political parties and shared by all Canadians regardless of their political affiliation.

Madam Deputy Speaker: I see the hon. member for Broadview—Greenwood rising, but there is no period of questions or comments after the first two speeches at second reading. I will now recognize the hon. member for Essex—Windsor.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I am not sure what amazes me most, the spectacle of the government coming before us having doubled the deficit in its seven years in office and claiming to the people of Canada that this piece of bookkeeping subterfuge is going to do something about that deficit for which it is largely responsible—I am not sure if that is the most amazing and ridiculous spectacle—or the spectacle of the Official Opposition getting

up and saying that they are going to vote in favour of this piece of nonsense.

I think that both represent an attempt to hoodwink the Canadian population with respect to this piece of legislation. More important, both seem to be supporting what is in effect a sugar coating of a very bad tax, the goods and services tax, which should be eliminated in this country, not used to exercise as some kind of pretence as a solution to the deficit.

The goods and services tax has been a disaster for people across this country. The vice-president of the Toronto-Dominion Bank, who is not exactly a socialist or a supporter of the New Democratic Party, has said: "The GST is an albatross around the neck of the Canadian economy".

The Canadian Federation of Independent Business, which again is not exactly a group which sends in thousands of dollars to the New Democratic Party, has said, and I quote from their study of cross-border shopping with respect to Quebec "The introduction of the GST, has meant that the Canadian tax system penalizes small firms much more heavily than it does larger firms".

We are talking about a tax which has pushed people outside of this country, increasingly and in damaging numbers for our economy, to make their purchases in the United States.

The Minister of National Revenue got up today to try to suggest that cross-border shopping was not something that was increasing as a result of the GST, because the numbers of trips had not increased as significantly this year as they had increased in previous years.

What he did not mention was how much money was being spent by people on thee trips that are taking place. Using the figures provided by Statistics Canada for 1990 and comparing them with the figures for 1991, for the first six months of each year in each case, it will be found that the amount of money being spent by people making auto trips across the border has increased by 57 per cent. That tells me that the GST has done precisely what we predicted it would do. It has forced Canadians, especially in border communities, to look at their budget situation, which is especially serious for them in the middle of a recession. It has forced those people to make the decision, because of the GST, to cross the border and to increase their shopping, as these figures show, by 57 per cent.

• (1730)

Now anybody could have predicted it. You cannot introduce a tax on retail purchases and retail services in Canada when no such tax exists in the United States and not expect people to react to the market differential that is created.

The government establishes a situation that it says it can defend because virtually every country in Europe has a GST. It is right. And virtually every country in Europe is beside another country in Europe which has a GST so there is no market differential that pushes people from one side to the other side of a border.

But if we create here in Canada an effective rate of taxation, as is the case in our community of Windsor, of 15 per cent for consumers on goods and services and the sales tax in Michigan is 4 per cent, you do not have to be a rocket scientist to recognize that people will cross the border in search of bargains.

The further proof of this is the retail outlets. Services in my community and in communities across this country close to the border have now started to advertise with new approaches. They have said to their customers: "We will pay the GST." They have advertised that in newspapers, on television and radio, and the consequence has been to attract customers back.

I meet the constituents that I represent coming back from shopping trips to the United States and they tell me: "Steven, we would like to be able to shop here in Canada, but we have got kids." The unemployment rate in the Windsor area is 13.9 per cent. These people have got to get their kids ready for school. There never used to be any tax on clothing in Canada, no retail sales tax of any kind in Ontario. Now, with the GST, there is such a tax so they go to the United States. They do so directly as a tax revolt against this government, as a tax revolt against an unfair tax, a tax which cannot be justified in economic logic, which cannot be justified in terms of any solution to the economy itself, which cannot be justified in terms of fairness because what we have seen happen under this government is a whole set of tax breaks to upper income people, to large corporations and a whole

set of tax increases through the GST to the ordinary, everyday person in this country.

We have seen, for instance, $100,000 in capital gains tax given to people who are rich enough to get capital gains increases from the stock market, the sales of yachts, the sales of whatever speculative investments they have kept. We have seen that come from this government. We have seen a decrease come from this government from 34 per cent to 29 per cent in the income tax rate for upper income people.

That is almost as bad as the decrease in income tax levels for upper income Canadians which the Liberals brought in before this government. Both these two parties here, which are supporting this piece of flimflam in front of us this afternoon, talk about their concern about the deficit. They created the deficit through the tax breaks that they gave upper income Canadians and large companies in this country.

In this country, we have seen, the statistics are absolutely clear-cut, if we go back to the 1970s, deficits which were sensible and which had some kind of relationship to what the country could pay. We saw deficits which, for instance, from the period 1966 up to the period 1975 did not at any stage exceed 1.4 per cent of our Gross Domestic Product. There were very small deficits in relation to our national income.

We then saw a Liberal government which came into office and started to increase expenditures dramatically. At the time, it started to decrease tax revenues from large companies and from upper income Canadians. The result was that the deficit levels in this country escalated dramatically.

As of 1975, the total level of debt in this country was $47 billion. That is not a small level. It is not something massive that we would have to be as terribly concerned with as we are today. In 1975, the debt was $47 billion.

By the end of the fiscal year 1984, for virtually all that period the Liberals were in power, the deficit had increased such that our national debt was $175 billion, almost four times what it was just nine years previously. It was almost four times higher.

The Conservatives came into power in 1984. They wanted to make sure that they could give some tax breaks to upper income Canadians, so they cut the tax rates even further. They decreased the level of taxation for large scale corporations in this country.

• (1740)

If we look at the revenues which have been received, they have gone down dramatically from large scale corporations, while tax rates for individual Canadians have of course gone up dramatically.

But not to be outdone by the Liberals with respect to deficits, if we take the end of the fiscal year 1984 where the deficit was $175 billion, let us compare that with the end of the fiscal year 1990–91; in other words, the end of the most recent fiscal year under the Conservatives. As at the end of this most recent fiscal year, the deficit is $408.5 billion.

An hon. member: The debt.

Mr. Langdon: The debt is $408.5 billion. I must admit that it does take some doing to parallel what the Liberals did in terms of increasing debt, but the Conservatives have done it. The Liberals increased our national debt in their last nine years in office.

Mr. Speaker, I think, if you checked your time, you would see that I have more than a minute.

To make this point quite clear to people, what we have is $47 billion as debt in 1975, and that increased to $175 billion by the end of the fiscal year 1983–84. Then, taking the Conservative period, we see that increasing from $175 billion to $408.5 billion. In other words, a much greater increase in our national debt in seven years of Conservative government than there was in nine years of Liberal government.

The government comes before us today and says that here is a piece of legislation that will somehow magically start to do something about the problem. I say to people across the country that this piece of legislation which is in front of us, does absolutely nothing about the deficit. It does absolutely nothing about the national debt. All it does is try to sugar-coat a bad tax, the goods and services tax.

That is why, unlike the Liberal Party, we will continue to oppose the goods and services tax. Unlike the Reform Party, we will continue to oppose the goods and services tax, even if there is this attempt at sugar-coating. We will vote against this legislation because we think Canadians deserve to have things put in front of them in a straightforward, clear and honest way. This piece of

sugar-coating of the GST represents exactly the kind of dishonest subterfuge which to us as a party and to us as a country is not acceptable.

I hope that when many Conservatives and many Liberals actually read this legislation they will see it for the piece of flimflam sugar-coating that it is. I hope they will vote against it to express their disgust and the disgust of their constituents with that unfair goods and services tax which was brought into this country by the government that sits in power but does not have a legitimate right to exercise power given its level of support within this country.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, first I would like to compliment the hon. member for Essex—Windsor for his presentation to the House today.

I would like to make a comment, prior to asking a question, about some of the effects on my community of Okanagan—Similkameen—Merritt, much of which is along the border as is the member's constituency of Windsor.

We have seen some difficulties over the course of time from the effects of the goods and services tax along with the monetary and fiscal policies of this government with the high interest rates, the increasingly high dollar rate as opposed to the United States dollar and the difficulties of course of the cross-border shopping as a result of that.

This summer I went to a number of industries such as the forest industry and value-added industries in the forest industry and other industries within my area that were supposed to benefit by manufacturers' sales tax being taken off and the goods and services tax being placed on them.

What I find over that course of time—I am wondering whether the member has seen the same problems in the Windsor area—is that these people are tied down now in higher costs because of the fact that they have higher costs of doing their books. They have to employ more people in the bookkeeping areas, and they are finding that the government is slower and slower in getting rebates back to them.

One of my constituents had been waiting for a rebate for over three months of over $40,000 from the government. One of the problems is that throughout the course of all of this it appears that the Conservative government has not been telling the full truth of all of the ramifications of this to the people of Canada.

I think the Canadian Federation of Independent Business has pointed that out in a recent letter to the Prime Minister asking for the Minister of National Revenue's resignation in saying that he certainly has not come clean with a recent report that showed that there was going to be a major effect. I think the study shows that it would be 3.8 per cent cheaper to buy goods in the United States as a result of the goods and services tax.

It appears that it has suppressed this over a period of time in bringing it in, as it has suppressed all of their studies that showed it was going to increase recessionary times in this country. It was going to increase many of the problems as opposed to assisting the people as they have told us it would be.

Can the member tell us some of what he has seen in his own riding of Windsor and the devastation that the goods and services tax has brought about, and whether he has a comment on what appears to be a fact that the government has constantly covered up what the effect of this is on people and how much it is going to use of this in debt and deficit reduction?

It appears that this is a shell game that it is playing with this. It is simply going to take money from one pocket and put it in the other. Would the hon. member comment on that for the people of Canada?

Mr. Langdon: Mr. Speaker, I thank my colleague for his question.

Let me say just two or three things. First, I think to call it a shell game is a useful comment.

• (1750)

What we really have here is something which says that all GST money will go into this account and we will use this account for certain expenditures such as paying the interest on the national debt, such as paying rebates to certain income tax concerns such as paying off certain parts of the GST rebates. If we happen to have anything left over after paying all those interest costs and so forth—which will not be the case—but if we had, we would pay that against the deficit.

This is very interesting, but it does not really prevent the government from doing with other accounts other things. If it uses this GST account to pay for interest costs on the national debt, then it can take the money in its general account, which it would have used to pay

interest costs on the national debt, and it can use those to pay for those election goodies which my friend from the Liberal Party is so concerned about.

I must say I am most surprised—and I have been thinking about it ever since I started my speech—not by the government's attempt to bring in this shell game piece of legislation before us, because that is par for the course as far as they are concerned, I am most surprised by the fact that the Liberal Party, which has claimed to oppose the GST, should say that yes, it is now willing to support the sugar-coating for the GST, the shell game which the government is carrying forward. I just hope, Mr. Speaker, there will be some effort on the part of some of the saner members of the Liberal caucus to get them to change their position.

Certainly as far as my constituency is concerned, which is what my colleague was also raising, we have had firms protesting this summer. We have a trucking protest which is taking place at the present moment. We have had manufacturing protests by manufacturing owners and by workers, all concerned with the incredibly heavy burden which the GST is placing on them. We have to get rid of that tax; that is what we should be talking about in this debate.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I would like to ask the hon. member for Essex—Windsor what particular training he has that allows him to so ably and capably give a speech with a straight face claiming that the NDP is interested in the national debt when, since the Parliament started, in virtually every example I can think of, it has asked us to spend more money.

Mr. Langdon: Mr. Speaker, let me give a short history lesson to my Conservative colleague. When this new government first came into office, one of the things we suggested to them was that the Cape Breton heavy water plant should be shut. That was not anybody else's suggestion; it was not their suggestion, not coming from the hon. member. It was our suggestion. This was a white elephant that was costing this country incredible sums of money.

We have also suggested at various stages in recent years, but especially since the changes in eastern Europe took place, that there has to be a very significant cut in the defence budget of this country. In fact, my colleague, the member from Victoria has put some very strong points with respect to the need to do that.

An hon. member: He is the chairman of the standing committee.

Mr. Langdon: He made some very strong points with respect to the need to do that in response to the government's recent defence statement. This was a defence paper that has come out suggesting that we will cut the military, we will cut bases, but by gosh we will still spend more. Talk about Conservative financial policy. That seems to be the best example. We will get 8,000 fewer soldiers, two less bases and we will still spend more money.

If I might, Mr. Speaker, I would point out to the member that when we first came into this House after the 1984 election, we told this government that its attempts to manage the economy by cutting taxes and so forth for high income people, by giving benefits to the large—

The Acting Speaker (Mr. DeBlois): The time for questions or comments has expired.

[*Translation*]

The time provided for questions and comments has now expired. Resuming debate. The parliamentary secretary to the Minister of Finance.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I welcome this opportunity to speak at the second reading stage of Bill C-21. I did not intend to talk about the GST. I wanted to congratulate my Liberal colleague who supports the bill on second reading, and I hope he will do the same on third reading. However, after listening to comments by the member for the New Democratic Party, I feel I must get back to the GST, as the hon. member did, and set the record straight.

Mr. Speaker, the member for the New Democratic Party referred to the GST as an unfair tax. He overlooked the fact that the federal sales tax was most unfair. Mr. Speaker, when I was doing a master's in tax law in 1978-79 at the University of Sherbrooke, our professor told us in a course on federal sales tax that it had outlived its usefulness. It had to be changed, and he was anxious to see a political party that would have the guts to abolish a tax that hurt Canadian producers who wanted to export goods and gave importers an unfair advantage. Mr. Speaker, this was more than ten years ago. The tax remained unchanged. It was the wrong kind of tax. We were the only country in the world that still had a manufacturer's sales tax, a tax that was grossly

unfair. We got rid of it, and all Canadians including the people in the riding of Trois-Rivières would have loved to get rid of the old tax without putting a new one in its place. Mr. Speaker, I think that you are like everyone else—you do not like to pay tax. We are all the same. There is no problem. Yes, there is a problem. The problem is that in taking revenue away from the government, expenses stay the same. Although we have made cuts and managed well, there are expenses and the money has to come from somewhere. From the GST. To whom does this tax apply? That is where I do not understand the New Democrats. The GST applies to the rich. The rich pay it. If you have a low income, before spending anything on the GST, you receive a cheque from the federal government four times a year to ensure that you do not have to pay the GST.

It does not apply to basic food; it does not apply to housing; it does not apply to drugs. To what does it apply? It applies to yachts, and as far as I know, some people can afford to buy them. It applies to cars and even reduces the price of them. It applies to a host of goods and services that high-income people use. They spend on them and therefore pay the GST. Low-income people spend on their needs and receive their cheques. So this tax is fair because it applies to people who have money. When I hear my NDP colleague say that this tax is unfair, Mr. Speaker, I have a big problem with that.

• (1800)

Mr. Speaker, Bill C-21, now in second reading, is an Act relating to accounting for the servicing and reduction of the debt. Why do we have it, Mr. Speaker, and what is the purpose of this bill? We have to go back to 1984. In November of that year, Mr. Speaker, the finance minister at that time, the Hon. Michael Wilson, tabled a strategy, a plan for the economic renewal of the country. Since 1984, we have followed that plan for the progress of our economy and our country, Mr. Speaker, to make Canada a good place to live.

Indeed, Mr. Speaker, Canada is a good country to live in.

The Acting Speaker (Mr. DeBlois): The hon. member for Kingston and the Islands on a point of order.

Mr. Milliken: Mr. Speaker, during debate on a government bill, a minister must be in the House and I cannot see a single minister here, Mr. Speaker.

I am sorry to interrupt the hon. parliamentary secretary, but I am sure that he would want to see one of his colleagues from the Cabinet present in the House to listen to his good speech.

The Acting Speaker (Mr. DeBlois): The hon. Parliamentary Secretary to the Minister of Finance has the floor.

Mr. Vincent: Mr. Speaker, I take note of my colleague's comment and I hope he will do the same and stay here to listen to what I have to say.

Mr. Speaker, Canada is a country where we have an economy and social programs. In the Spring, I had the opportunity to travel to Turkey and also to Russia. It is during such travels that you realize how lucky we are to be living in Canada. It's important to say so. There are very few countries in the world which have, on the one hand, our wealth, and on the other, our economic system and moreover our social programs and everything else around it.

When you say social programs, Mr. Speaker, you see a country which provides a lot to its people and this means also a country which has commitments to meet. Despite these commitments we have tried since 1984 to put in place a tax system which would be fairer and more equitable for all Canadians. Take for example the changes we made, like the deduction for dependents, for children, and also the changes relating to the tax credits. It's in that area in particular that we made the tax system fairer and more equitable.

We also reduced income tax, Mr. Speaker, in 1988 when we introduced phase I of the tax reform. The second phase of that reform was the creation of the GST which was done this year.

What else did we do since 1984, Mr. Speaker? We reduced spending and God knows that everyone in this House, on this side in particular, is aware of it. We not only cut spending, but we put government spending under control and then, of course, there has been some tax increases.

In February 1991, Mr. Speaker, during the last budget, what did we say? We said that spending control was of primary importance. What does it mean for Canadians? It means that inflation is under control and eventually reduced. If you look at the inflation rate since the Progressive Conservative Party is in power, you will see that our record is excellent.

No later than yesterday, the Minister of Finance was comparing the rate of inflation today and the one we had ten years ago to the day. I remember that in 1981, the inflation rate was around 12 per cent. An inflation rate of 12 per cent, Mr. Speaker, means that shortly it will get to 22, 23 or even 24 per cent. The members in this House, like their fellow citizens who are watching us, remember when interest rates were at 22, 23 and 24 per cent, in 1981. They remember how that hurt not only their wallets but also the Canadian economy. So, what we have decided to do is to take harsh measures to control government expenditures in order to curb inflation and bring interest rates down to a reasonable level considered normal for borrowers, businesses as well as individuals. That, is rule number one for a flourishing economy and a prosperous country.

In 1990, Mr. Speaker, we announced that the expenditure control program would be applied for three years. This year, in 1991, we figured this nation's economy needed a breather. So we decided to apply the program for two more years, until 1995, to make sure that the government will not overspend. This leads us to the subject of the debt, our national debt. The NDP does not care about the national debt. It is not important. In 1973–74, Mr. Speaker, the debt was $25 billion. In 1984–85, the year we took power, it had reached $206 billion. Now, in 1990–91, it is $388 billion.

The opposition parties will say that it has doubled. But,in all honesty, they will realize that simply adding the annual interest charges on $206 billion comes up to $388 billion by 1990–91. Since 1984–85, we have made difficult decisions—heaven knows that the Canadian people know something about it—precisely to make sure the debt we inherited would not grow by more than the interest charges. The situation is still serious, Mr. Speaker. As we speak, the per capita share of the national debt in Canada is $15,000. This means that the child born a minute ago already owes $15,000. That is what Canada's debt costs: $43 million a year just in interest charges. That is $80,000 a minute. That is the price the Canadian people have to pay now for the debt we inherited in 1984: $80,000 a minute. That is the cost of the interests on our national debt. And we have not started paying off the capital. We are just paying interest.

That is why expenditure control is capital, Mr. Speaker, to maintain inflation at a reasonable level so that our economy can grow and that some revenue can be earmarked for the reduction of the debt.

As you know, Mr. Speaker, the total amount of the cuts made by this government since 1984 is nearly $25 billion, not $25 million, but $25 billion. The CBC was affected, some of our military bases across the country were closed—yet more closures were announced yesterday—, high income earners were told that they will received lower old age pension benefits or none and couples will not be entitled to family allowances when their yearly income is over $70,000 or $75,000.

• (1810)

Our spending increased by 3.7 per cent on average since 1984; a 3.7 per cent average is better than any province and is better, Mr. Speaker, than the party opposite, which in the 15 years up to 1984 raised spending by 13.8 per cent a year on average. That is what is called controlling spending, managing and running a country.

In 1984–85, Mr. Speaker, the Government of Canada spent $16.1 billion dollars more than it took in, not counting interest costs. In 1990–91, Mr. Speaker, Canada spent $12.4 billion less than it took in. This means that in less than seven years, we turned spending around by $28 billion, that is what it means. You see my figures, Mr. Speaker, and a few minutes ago, I told you that we had cut $25 billion. So you see we are balancing quite well.

They are not easy decisions and they do not necessarily please Canadians, I agree. But at the same time, if I want to be serious, the Prime Minister shows his leadership, his interest in the country and the need to administer and manage as he should, not by polls and opinion surveys but on the basis of the economic reality of the country, its debts and especially, Mr. Speaker, its future.

You know what the future of a country means: its ability to continue to progress.

Mr. Speaker, a country can be compared to an individual. The day an individual has so many debts that he can no longer make decisions alone but only take orders from the credit union, the bank and his credit card issuers, that day, Mr. Speaker, he has lost his freedom of action. He depends on his creditors. It is the same with a country, Mr. Speaker. We must have freedom of action. To have freedom of action, Mr. Speaker, we must not be so much in debt that our creditors tell us what to do. The Prime Minister and the Minister of Finance have understood that.

In this way, Mr. Speaker, the legislation we have passed and will continue to pass will benefit the country. Mr. Speaker, when the bill before the House today was tabled, I was convinced the Liberal party and the New Democratic Party would love it. I thought they would be falling over themselves to thank us for tabling it. The Liberal party said thank you on second reading but not a word from the NDP. Perhaps I should explain why they should thank us.

We realize Canadians are doing their share with the GST. We realize they don't like taxes and neither do we, but at least what they spend on the GST will be used only to reduce our national debt. It will not be used for anything else. We have created a special account. All the money from the GST, the net revenue from the GST, will go into that account, and the money will be used to reduce our national debt.

Mr. Speaker, when I say our national debt, which is nearly $400 billion, it isn't your debt or the debt of the people in my colleague's riding of Terrebonne, it is the debt of every Canadian in this country. The problem is that it was accumulated between 1968 and 1984, and now we have to manage that debt.

Mr. Speaker, you are signalling that my time is almost up. In concluding, let me once again thank the Liberal Party which told us it supported the bill on second reading, and perhaps I may urge the NDP to consider the importance of a bill that guarantees that the money Canadians spend on the GST will be used strictly to reduce our debt and not to increase program spending or other expenditures. Nothing like that, Mr. Speaker. It will be used strictly to reduce the debt. I would also urge them to read the bill and change their attitude, because this country's economy needs a lot of improvement and, above all, we have to get rid of as much of our debt as we possibly can.

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would like to make some comments and ask a few questions. The speaker before the last one mentioned that they had fought very hard against the GST. Since he is considered to be a very honest man, I would have thought that he would admit that the Liberals worked at least as hard to control this debt. There is also another point inherent to this: I find it surprising that he would have taken this opportunity to allege that we were not against the government. They often use this approach to try to discredit the Liberal Party. Maybe you could make some political comments about that.

My second comment is that we also want to control the deficit and the debt as much as anyone else. But it seems to me, and this comment is now addressed to you, dear friend, that, too often, you somewhat use this excuse.

You know, people often say: I am as I am, because of the way I was raised, or I have inherited this from my father or my mother. So, in your case, you have inherited the debt, which is very high, exceeding $400 billion, from the Liberals. You repeat that so often that, frankly, it becomes annoying. You have a problem. You buy a plant which has a debt: you accept that debt. You have to administer: do it! Don't always use the Liberal Party as an excuse for a lack of success.

I have a third comment. I have a letter from the previous minister of finance, Mr. Wilson, that says that, at the end of the 1983–84 fiscal year, the debt was under $168 billion. Five months and four days later, you were elected to govern the country. You took office, which makes seven months. Again, you claimed that the debt that you had to administer was from the 1984–85 fiscal year. Did you not have any responsabilities during the 1984–85 fiscal year? You were in office for more than half that fiscal year. It is very unfair to use these figures, these statistics from the 1984–85 fiscal year as you were in office for more than six months, nearly seven months.

Finally, and it will be my last comment, I wonder if you will give me somes reactions. You say that, on the average, your government spending for the last seven years was less than 4 per cent. I would appreciate getting an extremely frank answer here because it is so crucial for all the Canadians who are listening. Was it not less than 4 per cent because you cut the transfers of funds? Because you passed the fiscal burden on to provinces, territories, municipalities, hospitals, colleges, and universities? Controlling the debt is easy if I take my

responsibilities, my debt, and share it, pass it on to this one, and that one, etc. I wish to hear your comments, your reactions, please.

Mr. Vincent: Mr. Speaker, I am pleased with the questions asked by my colleague from St. Boniface and I thank him. He was talking—and I will take each point in order—I am not going to jump into the feud between the Liberal Party and the New Democratic Party, I think it is up to them.

• (1820)

The second point was that he is tired of hearing me say that we inherited the debt from the Liberal government and I agree with him on that, Mr. Speaker. I am willing to promise not to mention again in this House or anywhere else that the debt we inherited in 1984 amounted to $200 billion and that we were stuck with it. I am willing on one condition. That my friend from St. Boniface promise not to mention anymore that we doubled the national debt and that it was our fault, because, Mr. Speaker, when they say "You doubled the national debt" I must answer: Yes, but only because of the interest on your debt. That is the problem and that is what I must answer him.

Then, if he stops saying that we doubled the national debt, I will not mention anymore that it was his debt, Mr. Speaker.

His other point was about the 1983–84 or 1984–85 fiscal year. He was partly right, but I would like to expand a little on the 1984–85 fiscal year, because that is the year this government was elected—seven years ago yesterday since we officially took power on September 17, 1984—

Mr. Duhamel: Already seven years!

Mr. Vincent: Seven years. You see how fast it went.

Mr. Speaker, on September 17, 1984 his government, which had ruled up to that date, had already made commitments for the next fiscal year and you will understand that commitments made by a government have to be met, even if the government changes. This is why I say he was partly right as far as dates are concerned, but not as far as cash is concerned, Mr. Speaker because in 1984–85 we spent the money his government had decided to spend. This is also the kind of situation we have to live with and I even remember, Mr. Speaker, voting for the budget of Marc Lalonde. I held my nose, but I did it. When we were elected we had to pass the budget of Marc Lalonde. What could I say?

The answer to the last question, Mr. Speaker, is yes, spending increases have averaged less than 4 per cent in seven years. And we have cut all the federal government expenses. We did not cut transfer payments to provinces, as claims my colleague. We have reduced the increase in payments to provinces. The best example of that is the fact that Québec and Manitoba, his native province, will receive more money than last year. Yes, Mr. Speaker, we have reduced the increase in transfer payments to provinces, I have said it many times in this House.

You are telling me again that I cannot speak anymore. Well then, I will sit down. Thank you.

[*English*]

Mr. Ross Stevenson (Durham): Mr. Speaker, I would like to place a comment and then a question to the member for Trois-Rivières.

I liked his approach in explaining the historical development of the growth in debt that has occurred here in Canada. I think it is significant to note that we have an opportunity within four or five years to once again have a balanced budget in Canada. That is quite different than what we have heard over the last several years, and certainly a very different spending trend than had been established prior to 1984.

In the province in which my constituency is represented, Ontario, we have also seen in recent years a growth in program spending under the provincial Liberal government averaging about 10 per cent per year while the federal growth in program spending was at about 2.7.

Now, under an NDP government, we see a deficit this year of something in the order of $10 billion. Clearly, we must have learned that deficits are nothing more than deferred taxation.

Canadian taxpayers feel that they have been paying enough tax for many, many years. Of course, they find out that they have not been paying enough to pay all the bills. I would like you to sort of contrast the views, the opinions and the policies of the NDP in Ontario and what they are attempting to do and what the government

here is attempting to do in bringing a balanced budget back to Canada within four or five years.

[*Translation*]

Mr. Vincent: One minute, Mr. Speaker, is not much for such an important question.

When the economy is as slow as it has been, Mr. Speaker, there are two ways to react for a provincial or federal government. Ours is to say: "Let us reduce inflation and interest rates and recovery will follow.' ' That is what we have done and it is starting to work.

The other way is that of the Ontario NDP government which says: "No, the government will put money in the pot." But which pot, Mr. Speaker? They spend, spend and spend again, as Liberals have done in 1981.

Mr. Speaker, when a government invests in a slow economy, it does not automatically mean that, on the long term, the country or the province will benefit. I had a meeting with some people in Trois-Rivières, Mr. Speaker, and let me tell you that the people in that area are very sensible, they are hardworking people and they really earn their money. They do not approve of a nosey government. These people do not agree when the government invests, and invests money coming directly from ever-increasing taxes.

I am confident, Mr. Speaker, that the Conservatives' approach at the federal level will give the expected results, and unfortunately the New Democrats in Ontario will probably have the same results that we have witnessed at the federal level, in 1981-1982.

Mr. Speaker, I know that I must stop here.

[*English*]

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the previous participants in the debate this afternoon have drawn attention to the essentially false nature of the motion now before us. It offers to reduce first the deficit and then the debt through the application of revenues from the goods and services tax without reducing government spending in other areas by the equivalent amount. Therefore, we are simply transferring revenue from one account, as it were, to another without achieving real control of government expenditure.

When the government first introduced its sales tax or goods and services tax, it should have detailed why Canadians should pay a tax on almost all goods and services. There was then the possibility that the tax might have been received, certainly not with enthusiasm but at least with somewhat less consternation. I speak of course of the possibility that the government could have made a real impact on the burden of debt which Canada is carrying, which every Canadian carries and which every generation ahead of us will carry, by applying the revenue of a sales tax to the reduction and eventual elimination of our debt.

What did the government do in introducing its goods and services tax? In fact, it explained to the Canadian people that it was to replace the manufacturers' sales tax, a tax that it had itself increased on four different occasions. It argued that the manufacturers' sales tax penalized exports and lowered incentives to invest in Canada. Indeed, all parties, the New Democratic Party, the Conservative Party and the Liberal Party in the previous Parliament agreed that that tax should be replaced by a more equitable sales tax.

• (1830)

The problem the government immediately encountered was that the manufacturers' sales tax was an invisible tax. I do not suppose more than a handful of Canadians realized they were paying such a tax. However, once the government introduced the goods and services tax, paid at the cash register, then Canadians realized that they were paying an additional new tax. What was the government's justification for the tax? To replace the manufacturers' sales tax. The finance minister of the day said repeatedly it would be a revenue neutral tax. The revenue generated by the new tax would be no more than that produced by the former manufacturers' sales tax.

There was no talk then, none whatever, of the government introducing the new tax as a method of reducing and eventually eliminating the debt that burdens this generation and future generations of Canadians.

Had the government at that time been candid with the Canadian people, it would have said: "We propose this new tax as a method of reducing the debt, and for our part as the government we will reduce expenditure. We will in effect enter into a social contract with the

Canadian people, with the Canadian taxpayers, that in asking them to meet this additional tax burden we shall make a determined and visible effort to reduce government spending". Then the tax might have been received not with enthusiasm but with at least a little less consternation than it did receive.

At no time when introducing its new tax did the government speak of segregating its revenue into a separate fund for debt reduction. It in fact envisaged, as the minister so often acknowledged, that the revenue would simply be part of general revenue and would go toward paying the ongoing expenditures of the government.

Unless one believes that paying one-third of every tax dollar to cover interest on the national debt does not matter there are only three ways to cut the debt and the deficit. The government can either increase taxes or reduce spending or do both.

In his budgets the former finance minister made some cuts. He cut some military spending, some foreign aid I regret to say, and some other programs. He rejigged unemployment insurance. But who can show where this government has acted decisively to curtail operational expenditures? Initially, the Conservative government did make some limited spending cuts, but by 1986 it had clearly lost heart, despite a booming economy generating new levels of tax revenue.

Re-elected in 1988 the government spoke a lot about reducing the deficit but it did not in fact do so. The deficit today is just as high as it was several years ago. The government failed to reduce spending significantly and relied almost entirely on tax increases to generate more revenue to move toward meeting government expenditures. It did so presumably in the belief that Canadians would rather pay more taxes than see expenditures cut.

If that were ever true it certainly is not true today. Canadians know that we are more burdened with excessive federal and provincial taxes than at any time in our history, compared to the standards of our trade competitors.

There are many disadvantages to using tax increases as a means of generating revenue rather than countering the debt problem with spending cuts. The most problematic is the public perception that governments are not serious in their goals of attempting to reduce deficit and debt. They find it easier to raise taxes, but, among other things, the government in so doing has contributed to the inflationary pressures of which we have been uncomfortably aware in the recent years.

Sales tax increases are inflationary. Organized labour will understandably respond by demanding higher wages furthering inflation. The replacement of the manufacturers' sales tax by the goods and services tax pushed inflation above 6 per cent. Not only did inflation move above 6 per cent in 1991, but it was well advertised to move that high at least a year before. It is not therefore surprising that in such circumstances labour contracts throughout 1990 and again this year were based upon expected high inflation rates above the 6 per cent level.

At the same time that there has been inflation generated in part by wage demands which anticipate inflation. The Governor of the Bank of Canada, supported fully by the government, has assured Canadians that he will continue to use high interest rates to counter inflation setting the stage for continued high interest rates and a high value for the Canadian dollar. This completes a vicious circle where high interest rates increase the deficit by increasing debt service costs.

If the government has been intent on following the tax route when it introduced the goods and services tax to make a real dent in the deficit, it might have appealed to taxpayers then to accept a comprehensive retail sales tax and match that new tax with a very real commitment to address the excessive government spending that has marked Canada's recent history.

We have all seen how the tax has failed significantly because the federal government itself failed to do what might have made it more palatable by demonstrating austerity in its own spending in an effective way as part of a bargain in which the tax would have been accepted as an essential part of a greater national commitment to reduce both the debt and the deficit.

What has happened is that the size of the national debt has almost doubled. Unacceptably high interest rates and exchange rates have been maintained in spite of repeated warnings and have contributed to the recession.

Canadian competitiveness is further in decline. Bankruptcies have reached record levels. Unemployment has continued to rise, so has the tax burden and so has inflation. The balance of payments and Canada's foreign indebtedness have seriously deteriorated and the Minister of Finance will know that government revenues are falling, as we saw as recently as the last quarter.

That was the background to the motion which has been brought forward today: a major recession, public finance virtually out of control and the country itself in serious economic difficulties.

This government, finding itself in such serious economic difficulties, has complained that its problems after seven years in office are really the fault of the Liberal government which went out of office in 1984.

We have had this story repeated to us several times today from the government side. Surely after seven years the government has some better explanation for its policies, can justify its policies, can offer some reasons to the Canadian people for why we are in the situation we are than to say: "Oh, it really was not our fault; it was the fault of a Liberal government that went out of office seven years ago".

• (1840)

The government anticipated what it said in its 1984 publication *A New Direction for Canada,* it offered a document that contained a sharp indictment of Liberal fiscal policies. The government that went out of office in 1984 was alleged, and I quote, to be "the source of poor economic performance", "soaring government deficits", "rising unemployment", "sluggish economic growth" and "an economy dangerously off course".

If that sounds familiar it is because it is a very accurate description of this government's economic policies after seven years in office. Every one of those points that they allege were the characteristics of the government that went out of office in 1984, are the characteristics of this government's economic policy today: soaring government deficit, rising unemployment, sluggish economic growth, and an economy dangerously off course.

If we look back to 1984, since my friends on the government side seem to be obsessed with that mythical explanation for its own folly, the truth of the matter is that the Conservative government inherited a surging Canadian economy which was demonstrating a remarkable recovery from the 1981–82 recession, a recession that was as serious and as deep as any which the western world had encountered since the 1930s. It was a world–wide recession. It was generated, in part, by the volatile petroleum prices of that time. It was generated outside Canada. It was an imported recession, unlike the recession which this government has foisted on the Canadian people. It was not a made–in–Canada recession. It was a world–wide recession.

The fact is in 1984 the economy was growing at the rate of 4.7 per cent in real terms. That was the legacy that the Liberal government of the day left to its successor, the Conservative government, a growth rate that was never exceeded again except one year and that was marginally in 1988.

At the same time, unemployment had declined, inflation had reached the lowest rate since 1971. The trends were all positive. The merchandise trade balance had a surplus of about $20 billion, a near record level, and with a non–merchandise deficit of $17 billion, the balance of payments on current accounts showed a $2.7 billion surplus. That too was part of the legacy left to the incoming government by the outgoing Liberal government of the day.

Interest rates were falling, the domestic saving rate was increasing, and even foreign indebtedness was being reimbursed. I would like to hear any member on the government side of the House indicate in what way, in seven years in office, they have moved to reduce rather than increase, Canada's total indebtedness.

Perhaps myths die hard, but this is certainly a myth and we have heard it again today. I would repeat that the government must be singularly bankrupt in economic policies if the best it can do is to complain about a situation that did not exist but was allegedly left by a previous government.

It is evident to all of us that the record of this government does not include achievement in reducing and eliminating the debt and the deficit which remain such an albatross around the neck of Canadian business and the Canadian people.

In 1984–85, as my colleagues, the member for St. Boniface and the member for Ottawa South, have pointed out, the national debt was $199 billion. For this current fiscal year it has reached $388 billion. Next year it is estimated at $419 billion. Even on the assumption that the Conservatives had no responsibility for the 1984–85 year, which is not correct, Canada is paying interest this year on $189 billion of Conservative debt

and next fiscal year will pay interest on $220 billion of Conservative debt.

So much for the accuracy and fairness of the government side in its footling allegations and pointless accusations about the situation it inherited when it came to office.

I see my time is just about ended but I want to say about this legislation now before us that it is essentially flimflam, it does not replace government expenditure. It merely opens yet another account, as it were. We shall support that this bill move into committee for closer study and examination because we are committed to ensuring that government expenditure is given the closest scrutiny. Any method that helps to encourage this government to rein in its excessive spending, we would support.

Mr. Ken Atkinson (St. Catharines): Mr. Speaker, I listened to my friend's speech with great interest. He went through his history of the debt and how we got to our present position. He is right that it was $199 billion or $200 billion in 1984, and we are paying interest on that particular portion. With interest rates at that time it was approximately $22 billion.

The biggest indictment of the government of that time was the debt it left in the current account when it was not even paying for the programs it was providing. A $16 billion debt at that particular time and that aspect of its operations added together added up to the $38 billion deficit of that particular year.

Obviously, when you deal with it you have to close that program spending deficit. That has been done by this government and turned around. In fact, this year there will be a $13 billion surplus, approximately. In the meantime, of course, the national debt grows as a result of that. That is why it has reached the point it has now and that is why we have to pay interest on it.

I wondered why my friend did not make mention that particular aspect of the financial situation that occurred when this government came into office in 1984.

As far as the bill we are dealing with is concerned, my constituents have said: "Please use the revenues toward the reduction of the deficit and the debt". That came out of the entire debate.

My friend also mentioned the GST replacing the manufacturers' sales tax. He mentioned that the manufacturers' sales tax was a bad tax and was in fact hurting the economy. We know that by replacing it with the GST, a better form of tax, that the economy is going to grow by a significant portion as a result of that. In addition to the revenues from the GST there is an expansion of the economy. That was the reason the consumption tax was put in.

I would also like to know my friend's viewpoint on consumption taxes as a means of raising revenue.

Mr. MacLaren: Mr. Speaker, the member opposite has raised a number of questions. If I do not touch upon all of them, I hope he will remind me of his points.

The idea that somehow a government can explain away or excuse its fiscal performance by referring merely to an operating surplus or even an operating budget, always strikes me as a bizarre procedure. Let me quote for the benefit of the member opposite the chairman of the Royal Bank of Canada who said recently that the government talks about an operating surplus. That is what the member opposite speaks of, an operating surplus. But what does that mean? It is like an individual saying he or she would have a positive cash flow if it were not for the mortgage interest. It is true but it is irrelevant. The government still has to pay the interest on the debt. There is no point saying that the interest payment is over there somewhere and look instead at the grand job we have done on operating budgets. The fact is that it is a total package.

• (1850)

If the member opposite wants to consider why it is that the interest payments on the debt are so high, he would do well to ask himself two questions: who is it who has increased the debt over the past seven years, and who is it who has pursued a high interest rate policy to the detriment of every Canadian? Who is it? It is the government. Do not tell us that it is not the Liberal Party. It is not the opposition that did it. For seven years this government has driven up the debt and at the last minute it says: "Let us use the GST. That is a great

idea". Maybe there is some argument for using the GST. If one reduced one's expenditure by an equivalent amount one would be making a real impact. But this is not so. It is merely as if another bank account was opened, a second bank account over here, a third, fourth, fifth bank account. It is all the same. There are no changes being made. This is a flimflam.

Who has pursued a high interest policy in this country? Will the blame be put on Mr. Crow of the Bank of Canada: "Oh, it has nothing to do with us. We are just the government. It is Mr. Crow who chooses to pursue a high interest rate policy. He says that is the only way I can deal with inflation".

"I am the Governor of the Bank of Canada and the only way I can deal with inflation is to drive up interest rates". Do you know why he says that? This government has failed in its fiscal policies. He has pursued, and the government accepts this, a monetary answer to what is essentially a fiscal question. He pursues high interest rates in answer to what he perceives as an inflationary threat.

But the real way to deal with inflation in Canada is through fiscal policy, not monetary policy, and this government has consistently failed to do so. Do not talk to us about why interest rates are high. It is the government that has pursued high interest rate policies. It is not the Governor of the Bank of Canada. Do not blame him. There are procedures in place for the government to control and direct the Governor of the Bank of Canada. The government has endorsed and approved the high interest policy. Why has it done that? What have high interest rate policies achieved?

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I would like to make a very brief comment and ask a question.

We have been talking a great deal about inflation. About a month ago I read an article which suggested that the major contributors to inflation were the 34 tax increases, including the goods and services tax, and I want to know whether he is in agreement or disagreement. I shall not be offended if he has a different opinion, but certainly that was the point.

The point was that the government's 30-plus tax increases were the major contributor to the high inflation rate.

The second point is that it seems to me when we talk about deficit and debt we really need to look at it in terms of the revenues that we have. If my memory serves me correctly—and I would be willing to bet that it does—the revenues for the government when it came into power were slightly about $70 billion. They will be approaching close to $130 billion this year, roughly twice as much. I have no problem in taking on a debt of $1 million if my salary is $2 million, but I have a real problem if I am earning $10,000 a year.

I wonder if my hon. colleague could perhaps make some comments with respect to inflation and the almost double revenues and what impact it has on deficit and debt.

Mr. MacLaren: Mr. Speaker, I was quite enjoying my previous discussion and I would really like to pursue that. My hon. friend from St. Boniface, in his own excellent statement a few minutes ago, did draw attention to the inflationary effects of tax increases, and of course he is quite right. This government claims to have achieved so much. It never makes the one claim in which it would have some justification and that is tax increases. It has a history of tax increases that is unparalleled in this country. It has introduced taxes at every level and in just about every way that human imagination can devise.

One member has asked me what I think of consumption taxes. I would have the federal government out of consumption taxes. They are inflationary. There is no question of the inflationary impact of the GST. Look at your own numbers. Look at the numbers of the Department of Finance. Of course, we are told the impact is temporary. But tax increases with an inflationary impact have an unfortunate way of being a permanent feature of the economy.

The inflationary impact which my hon. friend raised is pervasive. It flows through the whole economy and it continues. The burden that the government has placed on the Canadian people is not merely in direct taxation or indirect taxation terms, that is, taking away more of their earned income, but it is also in its inflationary impact. Taxes drive up the cost of goods and services. That is inflation. The result of it is that the Governor of the Bank of Canada employs interest rates as a method of trying to counter what he sees as inflationary pressures caused by the government's own inflationary policies of higher taxation. It is a vicious circle and the govern-

ment must get out of this vicious circle. The way to do it is to show fiscal responsibility and not monetary excess.

Mr. René Soetens (Ontario): Mr. Speaker, it is a pleasure to rise today to speak on Bill C–21, and particularly as it is known as the debt servicing and reduction account act. I am sorry that you did not recognize me, Mr. Speaker, when it was time for questions for the previous speaker because I was going to ask him if this was the same House of Commons that I was elected to in 1988 and was I a Conservative and was it a Liberal that I was hearing speak? Is it true that he is a member of the Liberal caucus? I thought I heard an awful lot of things being said which would almost suggest to me that somehow this House had flipped over, that I was sitting on the opposition side, as a Liberal, and I was listening to a Conservative speak. It shocked me tremendously. I will not deal with prior to 1988. I was not a member of this House prior to 1988. I know that in the 1984–88 period neither was the member who just spoke. I will not refer to the record when he was in the House because that is not fair in the 1980–84 period.

I want to refer to the two and a half years almost that he and I have shared this Chamber. He said that the government has failed to reduce expenditures significantly. I think I heard him say that. I heard him say that there are serious disadvantages to raising revenues to reduce the deficit versus expenditure cuts. He wanted the government to demonstrate austerity.

My question to him, which I realize he now cannot answer, is how did he vote when the government restricted transfer payments? How did he vote when the government restricted VIA Rail transfers? How did he vote when we cut CBC? How did he vote when we closed the base in Prince Edward Island among other places? How did he vote when we restricted foreign aid packages? How did he vote when we froze government operations for the last year? Most importantly, today, how did he vote when we decided to pass a bill dealing with the Public Service Alliance of Canada?

I do not recall today him standing up voting the same way I did. He must have either not been here or, I am sorry, I do not know whether he was here or not. But if he stood up and voted with his party, then does his party totally ignore everything he is saying? Does he have no influence on that party because they have voted against everything that we have done to deal with what he says is the government's failure to reduce expenditures significantly.

• (1900)

Maybe he voted against it because we did not cut enough. Is that what I heard him say? Did he want us to cut further? I would like to speak on the debt reduction fund, and I realize I have a problem. I am out of time. I will be back here Friday morning, and I hope the member is back to ask me some questions when I next rise to speak.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 7 p.m., pursuant to Standing Order 30(6), the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CONSUMER AFFAIRS

REQUEST FOR ROYAL COMMISSION ON PRICES

Mr. Howard McCurdy (Windsor—St. Clair) moved:

That, in the opinion of this House, the government should consider the advisability of establishing a Royal commission on prices to examine allegations of excessively high prices of various consumer goods and services in Canada as compared to other jurisdictions and which would include considerations of such factors as costs generated by distribution mechanisms, excessive mark–ups at various levels, differential pricing, economies of scale, interest rates and the exchange rate of the dollar.

He said: Mr. Speaker, it should be quite evident that what has provoked this motion has been the vast increase in cross–border shopping which has affected many communities in Canada.

In Windsor, for example, it has been calculated that the city of Windsor will lose something of the order of $100 million a year to its retailers and quite a considerable number of jobs. In fact, if one goes down the main street of Windsor, one will find that something of the order of one–third of our retailers are closed or in the process of closing. Some of them have been replaced by other businesses that do not operate in the same market that relates to cross–border shopping.

There have been a number of factors to which the increase in cross-border shopping has been attributed. We note that there was quite a significant increase even before the negotiation of the free trade agreement which was in some measure stimulated by the remarks of the then minister of trade that there would be an open border between Canada and the United States. By that, people were encouraged to increase the frequency with which they purchased in Detroit.

Subsequently, the free trade agreement was in fact invoked. Subsequent to that, we had the introduction of the GST.

I note that today the Minister of National Revenue was saying that the GST really had nothing at all to do with the increase in cross-border shopping. He says that he consulted widely with everybody down in our area, and they all agree.

His submission was that there was a relatively slight increase in the number of automobile trips between Canada and the United States. He thereby concluded that the GST had no effect.

The fact is that between 1990 and 1991, over the first six months, there has been an increase of 57 per cent in purchases on the other side of the border. What we are really talking about here with respect to other jurisdictions in our motions is the United States.

Of course, we did not need to have those statistics from StatsCanada. In fact, the minister had in his hand a submission from the Chamber of Commerce in Windsor that clearly indicated in a graph that with the introduction of the GST, purchases in Detroit went sharply up.

It is not just the GST to which we attribute increased cross-border shopping. There is a vast difference in prices between the two, even apart from the question of the GST. There is the simple fact that most Canadians have the perception that they are going to get most of their goods cheaper in the United States than in Canada, that they will be cheaper in Detroit than in Windsor.

Almost everyone has attributed these differences in part to higher taxes on the Canadian side that retailers and others must submit to such as property taxes, excise taxes and duties.

There is also the question of higher transportation costs in Canada and, of course, we frequently hear of references to higher wages in Canada as being a significant factor in those price differentials. But there is also the question of the scale of the market in Canada versus the United States and a number of other factors. Of course the business sector, in particular, has made a great to do with the higher wage costs in Canada along with the tax burden.

The Chamber of Commerce in Windsor, in particular, took a position a little bit at odds with the general trend within the business community in Canada. It suggested that there are other factors that ought to be attended to over which it had more control in some measure, but there are other factors as well that this government should address in some way.

I would just like to give you an idea about what I am talking about. This tie that I am wearing was bought in Hong Kong last spring for $5.50 Canadian. When this tie arrives in B.C.. it is landed for $10. That is the price for which it goes to the first level of distribution, which immediately marks the tie up by 100 per cent and so that tie is now a $20 tie. It then goes to the next level of distribution where it is now marked up another 100 per cent and, magically, this $5.50 tie becomes a $40 tie and this is still at wholesale. If you go to buy this silk tie down on Sparks Street or in my home town, if you can find a store that is still open, if you can get it for less than $80 then you have made a very good purchase. So that is one dimension of the problem.

It is a fact that as a result of the auto pact most ordinary North American cars are sold at about the same price in Canada as in the United States. Of course, Canadians will pay additional taxes but the base cost of the automobile, a regular Ford Taurus, a Chevy or a LeBaron, will be about the same to the consumer in Canada as in the United States; the same factors with respect to transportation would apply. But if you go and look at the higher scale models such as a fully loaded Lincoln Continental, that devil is going to cost you $45,000 in Canada. It will cost $35,000 in the United States. That is a $10,000 differential, which is not uncommon on upscale vehicles. In other words, without the introduction of any additional factors, there is differential pricing of some products in Canada versus the United States.

Mr. Speaker, you do not have to take my word for this. I am sure that most Canadians who have shopped in the United States and shopped in Canada have some knowledge of the two countries and can cite similar examples of extraordinary differences in price. But we do not have to go to common experience. Recently, the Department of Industry, Science and Technology did what was billed as a small study. It is called a preliminary study of the competitiveness of distribution channels in Canada. This work was done by Ernst and Young. It is intended that a more expanded analysis be done, but their findings were very interesting.

First of all, they looked at electronic equipment. The interesting thing about electronic equipment that they found was that the prices were comparable within 15 per cent or so between the prices that one paid for audio equipment, video equipment, television sets and so on between Canada and the United States. In other words, those things were only about 15 per cent higher in Canada. That small difference represented such factors as taxes, transportation and the like. But only about a 15 per cent difference resulted from that.

• (1910)

Of course all of these things are important. For some things which have just one step in distribution in Canada, if one looks around one can probably get just as good a deal in most places in Canada as one can get in the United States. However, it is interesting to take a look at bedding and linen, along with other kinds of textile products, which are to a very large extent manufactured right here. What one finds is that the price differences for those kinds of goods, that is bedding and linen, between Canada and the United States is in the range of 200 per cent.

We heard some discussions about the loss of jobs in the textile industry and wages pricing workers out of the market, and so on and so on. That 200 per cent difference between the American product and the Canadian product has bloody little to do with wages. In fact, it has to do with two things. They are: a more complicated distribution system in Canada and higher mark-ups at each stage which result in Canadians paying 200 per cent more for a product in Canada than in the United States.

In the case of those products just one additional level of distribution with mark-ups ranging between 50 and 100 per cent is what hits Canadian consumers in the pocket-book and has them getting on the Ambassador Bridge or going through the Detroit-Windsor tunnel to buy linens and table-cloths and so on.

If one looks at women's apparel one finds that there is anywhere from a 40 per cent to a 100 per cent difference. In some respects, this is determined by whether that clothing is imported, whether it is name brand, or what. However the same things apply: additional levels of distribution and handling and higher mark-ups.

The Windsor Chamber of Commerce, although it is as concerned as any other group of businessmen and businesswomen about the usual targets of business—high wages and so on—and the big tax grab by government, said: "Look, there are some things that we can do ourselves as business people; some of it requires government action but some of it is in our bailiwick". What it concluded is that business is to some degree getting the business from business. Some businesses are making other ordinary businesses face really tough market conditions because they are too greedy at some stages. It is just that simple.

It is also true that in some instances the final line retailer is too greedy. There is a tendency in Canada to take big profits and keep the market relatively small through those big profits; whereas in the United States there is great deal more emphasis on rapid turnover at a small mark-up, a small profit. You see that in Pace, in the outlet stores and so on in the United States.

The Chamber of Commerce came up with the very interesting observation that under Canadian law and under the free trade agreement some of this could be dealt with.

We know that in some instances the manufacturers in the United States have a separate and distinct distribution system in Canada from the distribution in the United States. It is not uncommon to find that those special distribution establishments in Canada have much higher mark-ups and often represent that additional stage I was talking about.

The Chamber of Commerce in Windsor noted that under Canadian law, under section 75 of the Competition Act, as well as under section 102 of the free trade agreement, it could be argued that in areas where cross-border shopping is frequent there exists or should exist a single market. After all the purpose of the free trade agreement was supposedly to establish a single market. Why should Canadian retailers be expected to

get their goods and products at a different cost or different availability than their neighbours across the river in the same market under the free trade agreement without some kind of government response? The government response should be an application under the Competition Act to ensure that if there is a good or a product sold in Canada that could be construed as being sold in the same market but under different conditions this government should ensure that the same conditions apply. Those products should be available at the same cost so that retailers can make them available to consumers at the same cost.

The Chamber of Commerce has alluded to a possible solution to this concern about price differentials between Canada and the United States. However, we have already indicated that there are a whole host of factors exclusive of those usually considered: high interest rates, a differential on the dollar, distribution systems, transportation costs, differential pricing and all of these things which should be looked at very carefully. That is why I have suggested that there be a royal commission on pricing in Canada.

My first thought was that a Royal commission to look at this problem was a bit bizarre. However this is not a novel, and therefore certainly not a bizarre suggestion. In fact, in 1934 there was a Royal commission on price spreads between producers and consumers. In 1949 there was a royal commission to examine the exorbitant price increases that plagued Canada in the wake of the Second World War. In 1959 and 1960 there was a Royal commission to examine why consumer prices for farm products were rising while the income to producers was falling.

I hope that this House will support my motion. It is conceivable that members can think of alternative approaches to the same issue which could lead to the same result. However, I submit that a Royal commission, as the precedents indicate, would be the most appropriate means to approach the issue of why, even when one takes into account taxation and takes into account transportation and other similar factors, even in the absence of those costs, the prices to Canadian consumers for too many goods are far in excess of those in the United States and far in excess of what they ought to be. This royal commission could determine what reforms in how we distribute goods in this country would be appropriate to make it more competitive to sell in Canada and more appropriate for consumers to buy in Canada.

[*Translation*]

Mr. Jean-Marc Joncas (Matapédia—Matane): Mr. Speaker, I would like to respond to the hon. member from Windsor—Lake St. Clair's request concerning the establishment of a Royal Commission on Prices by the federal government.

• (1920)

For the benefits of all members, I think it is important to mention that several federal governments have appointed commissions of inquiry to monitor prices and other aspects of the Canadian economy. For example, the Royal Commission on Prices established in 1948, the Royal Commission on Canada's Economic Prospects created in 1955, the Prices and Incomes Commission of 1969 and Food Prices Review Board of 1973.

More recently, the Royal Commission on the Economic Union and Development Prospects, also known as the MacDonald Commission, has reviewed the whole Canadian market. This Royal commission highlighted the need to improve the competitiveness of the Canadian economy in order to meet the challenges of the global market. The Commission considered price competitivity as one of the main elements of the economic future of Canada. Mr. Speaker, common sense suggests that we don't need another commission.

The most important question is how to make sure that Canadian prices are competitive. One of the basic priorities of this government is its commitment to market forces. The whole question of the cost of goods and services is closely linked to this priority and no government in Canada has relied more on the market for the greatest benefit of the private sector and consumers. Market forces have brought a much greater flexibility in prices and hence flexibility and efficiency in the Canadian economy. This government has chosen the way of free competition as a mean to improve market efficiency, and the economic growth and prosperity associated with it.

Traditionally, only 40 per cent of Canada's national income came from sectors recognized as competitive. In the United States, however, 80 per cent of the national income is estimated to come from such sectors. Mr. Speaker, in the last budget, this government clearly showed its commitments to prosperity and competitiveness. We firmly believe that lower prices are not only desirable for the competitiveness of Canadian industry but that they are also very important for consumers, who account for nearly 60 per cent of the final demand for goods and services in Canada.

Mr. Speaker, as was mentioned in the last Speech from the Throne, we will soon begin a vast round of consultations on prosperity and competitiveness. We hope that this round of consultations will help us identify certain weaknesses in the Canadian economy and obstacles to competitiveness.

Mr. Speaker, Canadian businesses want to know what they must do to succeed and what policies of the federal government will best foster Canadian competitiveness.

I am very satisfied with this government's economic leadership. The hon. member's proposal shows a real concern for the welfare of Canadians. I invite him to cooperate with the government in implementing our prosperity initiative.

Mr. Speaker, the solution he wants on prices cannot be found in creating another Royal commission of inquiry or in government intervention but rather in a dynamic, productive and prosperous Canadian economy. That is the commitment we made to all Canadians in the Speech from the Throne and we will achieve it.

[*English*]

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, first of all, I would like to say that it is a pleasure to be back after a pleasant summer with constituents, but mostly with family.

I wanted to speak on this particular motion. Normally there is a gem of wisdom that I might be able to glean after a lot of scratching down on NDP motions.

I know the the hon. member's intentions are good, but I think he is being a little mischievous. He puts forward to the House a motion, which if it is ever adopted, if the government ever did do it, would cost the taxpayers of this fair land millions and millions of dollars. Surely to goodness the one thing that we do not need in this country at this particular time is another Royal commission.

Royal commissions are a convenient way for legislators, no matter if they are here or somewhere else, to take an issue they do not believe they are capable of dealing with, or that they do not believe they want to deal with because of the political implications, and they put it over to a body so they do not have to discuss it for two, three, four or ten, or God knows how many years. They do this all the time. The Royal commission goes on its way and leads Canadians to believe that it is something other than a depository for people's opinions. They cannot do anything about it.

After two or three years of study, the Royal commission will table a report which gathers dust in too many libraries across Canada and most particularly, the Library of Parliament.

I have heard the New Democratic member opposite speak eloquently in this House about his party's grave concerns for the people of Canada. I am not doubting for a moment that this member has those concerns and I am sure they are deeply felt.

We are in a time when there is not a lot of money. We on the Liberal side believe that if we were in government, we would spend government money a little more wisely and that we would, perhaps, have a better social conscience. We believe in a free market system but we also believe that government has a responsibility through its institutions and through various regulatory mechanisms to ensure that Canadians, no matter where they live, can share in the greatness of the country.

I remember at one time the New Democratic Party in Nova Scotia used to be down on Cape Breton Island where I grew up, where we had great economic difficulty, a lot of hardships but they were very, very good people and we stuck together. The New Democratic Party would campaign and they would not only have one chicken in every pot if they got elected, they would have 10. They would go into an area where there was substandard housing and instead of being upfront with the people, they would say: "The day we get in, not only will you

have a new house, you will have a pink Cadillac in your yard".

Now, the New Democratic Party, in this particular motion the hon. member puts forward is playing the old double standard game again that the New Democrats play so well.

An hon. member: You never make any promises?

Mr. MacDonald (Dartmouth): The member opposite does not know when to keep his lips closed. I have just listened to him and I am trying to respond to what he said.

This motion is mischievous. This motion comes from a party that claims it is concerned about the government's cutbacks to women's programs. It claims that it is concerned about the government's cutbacks to post-secondary education and health care programs across Canada. It says this government has been wasting its money. The way it spends is misdirected. So, what does it do? It says another $20 or $25 million—I can hear the cash register going up and down—$25 million—another Royal commission. That is their answer to every problem.

I thought there had been a problem with employment for some of the senior New Democrats. Well, I know that Uncle Ed got his big job over at the international centre for God knows what. We have seen other hon. members from this House, like Mr. Deans, who has now found his pork barrel heaven over at the Public Service Staff Relations Board. It is very hard to believe they were New Democrats who sat in this House. Nevertheless, when duty called and the pay cheque was big enough they certainly went.

Then we have Bob Rae in Ontario. My God, there is Uncle Bob in Ontario. Uncle Bob in Ontario came forward and said: "We have the answer to all your questions. We are a believable alternative to the current old line parties". He got elected and what did he do? He took the economic engine of this country and he saddled it immediately after taking office with a $10 billion deficit in the middle of a recession and has been responsible for much hardship for the average person in Ontario. Industry is claiming that because the regime that the NDP government in Ontario has put in, it is not conducive to business. If it is not conducive to business, it is conducive to the consumers, those very people that this party opposite seek to get the support of.

• (1930)

I have no difficulty in using the traditional instruments that we have before us to solve the problems that the hon. member has mentioned. I have no quarrel with his concerns about price gouging. I have no quarrels with his statement that the GST and the government's statements on GST have been at best misleading, but that the GST has caused perhaps a window in the marketplace for abuse in the consumer price structure. I do not argue that. What I do argue for once, for goodness sakes, we are in a situation where we have debated over the last few days a very serious piece of legislation. The public servants of Canada are the people who serve every Canadian, serve every member of Parliament and make us look good. That is who we call when a constituent has a problem

We debated in here whether or not Draconian legislation to force them back to work was proper. The Liberals said no. The New Democrats said no. Let us look at the hypocrisy. The New Democratic Party said, and rightly so, the public servants deserve a much better break. However, what the New Democrats said was $144 million is not much to pay, and it is not. Instead of coming in and debating a motion here tonight to talk about the proper allocation of limited resources over to people like the public servants of this country, who have served this country so well, what do they do? Irresponsible again. They walk in after debating that on the one hand and say: "Another $25 million for a Royal commission, there is no problem".

I am trying to figure out where in the name of goodness their priorities are. My priority is to help Canadians. My priority is to help my constituents. My priority is to try to ensure that legislation that goes through this place is properly directed and the limited resources hit where they should, hit most, and that is positively with the people of Canada. But no. I heard the hon. member over here just a few minutes ago. This was amazing. They always talk about the corporate welfare bums.

Mr. Speaker, do you know what the hon. member used as an example as to why there should be a Royal commission? Because a Lincoln Continental costs $10,000 more in Canada than in the United States. Can you believe that?

I can give you many arguments as to why we should go and use the instruments at our disposal, such as parliamentary committees, such as the competition bureau—

An hon. member: Only Bob White can afford a Lincoln Continental.

Mr. MacDonald (Dartmouth): Only Bob White or perhaps Ed Broadbent could, or maybe even Ian Deans, all those wonderful New Democrats who have the solutions for every problem in the world.

I have had a little difficulty in trying to figure out, because I think we should be realistic, if indeed we need a board of inquiry or, God forbid, a Royal commission. What do we hope to obtain by that?

I know better than anybody that there is always room for abuses and excesses in the free market system. Do not forget that the members who sit on all sides of this House are consumers as well. When those excesses take place in the marketplace, it affects everyone. It crosses partisan lines, but we had instruments to deal with that. Surely to goodness we have instruments to deal with that.

Given a choice between a U.S.S.R. style regimented economy—

An hon. member: Oh, oh.

Mr. MacDonald (Dartmouth): The hon. member is moaning in his chair. No wonder he is moaning. With the motion that he has put forward to us, he wants to go in and find out why Mrs. Smith at the corner store is charging 7 cents for the lollipop instead of 6 cents. Get with it. These guys are out to lunch on most things that come up. They claim to sit over there and represent the viewpoint of average Canadians.

The Lincoln Continental, I will never forget the Lincoln Continental. Perhaps just perhaps we should look and take their suggestion more seriously, if they could show me where we could find the money which would not take away from the just deserved wage settlement in the Public Service of Canada, the charge hands, and the dockyard workers and all those individuals. If they could show me that the money would not come from support for women's programs, for native friendship centres, if they could show me that it would not shut down more hospital beds, that it would not take away from the post-secondary education system, I would say maybe we could look at this. But maybe, they should have had an amendment. The amendment should have said: "subject to financing being arranged through a loan guarantee" or perhaps a co-signature by the premier of Ontario since he seemed to have so much credibility with the financial community in this country.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I think I have probably seen right now as my colleague who just finished speaking leaves the House one of the most deplorable exercises in insults to my NDP colleague who has tried to present a private members' bill which is not mischievous but is looking toward getting something for consumers across this country.

I am not going to respond to all of the Russian and socialist and other affirmations that I have from my colleague because I really think that this Parliament should be a Parliament of ideas and debate and not of gratuitous insults. I am tempted, but I will stay away from that.

I want to look at the question concerning prices in Canada because that, above all, is what we are looking at. A royal commission is what you make of it. On the other side, we were speaking about the Macdonald Royal commission having had some good aspects. I think it did have some good things to say.

We have had Royal commissions on the status of women which have actually led to a great deal of change in consciousness raising and change in our country.

To say that they are just going to gather dust and are of no benefit to the common everyday Canadian, I think that is wrong.

The question is: Is the subject of sufficient interest or urgency that it should be treated by a Royal commission? I am a consumer advocate myself, non-partisan. I have never been a consumer advocate for Liberals, the Conservatives or the NDP per se. I was a consumer advocate dealing with the questions that were coming in from consumers and trying to give them answers as to why automobiles and automobile repairs were much more expensive here in Canada than in the United States.

I can tell you that apart from the question of taxation and transportation, even in transportation, the reason has been brought out very eloquently by my colleague. It is pure, simple greed and it permeates throughout our entire society here in Canada where we do pay a lot more

for products mainly because we have allowed companies to get away with it.

In certain industries, it is far more excessive than others. It is just common sense. We are being taken to the cleaners by this multiplicity of middlemen, of middle agents who add their percentage on top of the other percentage which means that we really, in effect, pay much more than the United States.

I believe if you ask the consumers from Cape Breton or the consumers from British Columbia, or particularly the consumers of Quebec that they would say: "When we go down south to Florida, one of the benefits we see is the difference in prices." We understand that there are some differences because we have perhaps a better, perhaps, social program in Canada. We have to pay for that. We have higher taxation. We have transportation and perhaps a shorter growing season as well.

All of that taken into account, it does cost us a great deal more for certain products and a satisfactory answer has never really been given to us.

Let me just tell you in the automobile field which I am most familiar with, it is not a question of Lincoln Continentals only. It is a question of the prices with the basic manufacturers' suggested retail price being basically the same in Canada as in the United States, once you add in the different things dealing with taxation as well as the question of transportation and those basic items.

As you get into those vehicles as they are sold by the dealers with the added equipment, you get into a labyrinth of price variations with which you would have a great deal of difficulty trying to discern what the real price of the automobile is. The United States has an act called the Monroney Act. It is interesting that we do not have federal legislation, as the United States does. That is not Mulroney but Monroney. The Monroney Act in the United States came about in the 1950s and required a sticker on every automobile sold so that the consumer could see basically what the prices are for equipment and everything else. This act, which applies in the United States, meant that cars which were transported from the States to Canada had that windshield sticker. However, these stickers were systematically removed in Canada so that the dealers and other middle suppliers could put on whatever price they felt necessary. Obviously that is unfair. Obviously that works against the interest of the consumers.

• (1940)

I think that a Royal commission could go into each one of these areas where we are really getting gouged and look at the extent to which we are getting gouged. As a result of a number of commissions that we held in Quebec dealing with automobile insurance, we actually had automobile insurance rates go down. I understand that for a certain period of time in Ontario, as a result of hearings being held, some of the automobile insurance rates went down. It is a case, as some people said, and as I believe, of the light being shone upon the practices of these insurers in the province of Ontario.

I believe a Royal commission on prices would have a salutary effect. I think it is important. It touches the lives of every single consumer.

[*Translation*]

I can tell you that as a consumer advocate in Quebec for the past 20 years and as my party's critic for consumer issues, I have always been intrigued by the difference in prices between the United States and Canada. I never felt the difference was justified in the case of cars or car repairs.

In the United States, there is a federal law, the Monroney Bill, that obliges U.S. automobile manufacturers to provide a label indicating the base price. We don't have that here. In fact, most vehicles imported from the United States into Canada have this label on the windshield but labels are routinely removed because first of all, there is no connection with the Canadian price and second, Canadian and Quebec consumers would start asking embarrassing questions about the gap between U.S. and Canadian prices.

I think the Private Member's Bill put forward by the hon. member for Windsor—St-Clair is very sensible, in that it demonstrates that we, as Canadian consumers, are being exploited to the nth degree. I think we should find out once and for all how badly we are being exploited, and I think this would have a salutary effect in two ways. First of all, with a Royal commission of inquiry we can ask people, producers and consumers, to appear before us, which, because of all the publicity, may force producers to lower their prices.

Second, we could regulate disclosure of prices at each distribution stage. As I was saying, in the United States— Mr. Speaker, the United States is not a socialist country. However, it may be a little more realistic than we are as far as prices are concerned. And I think that consumers, especially in Quebec where we have had legislation since 1980 which obliges distributors to have individual price tags on their products— I think the same approach could be applied to automobiles.

Finally, to my Liberal colleague who made disparaging remarks and claimed that all we want is to spend money and not really help the consumers, I would say that is not so. The bill introduced by my colleague is reasonable. We are in urgent need of this kind of legislation, because Canadians and Quebecers have had it with paying ridiculous prices for goods they can buy for less down south, in the United States. Also, this bill could be good for our business people, especially those close to the Canada–United States border, since they would be given a level playing field if we can just force suppliers to charge reasonable prices to their Canadian customers.

I support my colleague, and I think, as I said earlier, that this idea makes a lot of sense.

[*English*]

Mr. McCurdy: Mr. Speaker, I rise on a point of order in accordance with Standing Order 44(1) which says:

> No member, unless otherwise provided by Standing or Special Order, may speak twice to a question except in explanation of a material part of his or her speech which may have been misquoted or misunderstood, and the Member is not to introduce any new matter, but then no debate shall be allowed upon such explanation.

It is quite clear that the hon. Liberal member did not understand that this debate was on the issue of cross-border shopping, the price differentials between Canada and the United States which impel it, the effect on consumers and the effect on business in this country.

It is unfortunate that he failed to do so. However, it is obvious that his comments, which were within the context of that speech irresponsible, could only be understood if he did not understand what I had said.

Mr. Don Boudria (Glengarry—Prescott—Russell): I rise on a point of order, Mr. Speaker.

Mr. Speaker, you would obviously be aware that the member who just spoke on an alleged point of order in reference to rule number 44, which does not even apply in this particular case, was trying to find a way to get in the second speech. I hope that you would recognize that because other members would like to speak and make an important contribution to this debate and I happen to be one of them.

[*Translation*]

The Acting Speaker (Mr. DeBlois): No other speaker having risen, the hon. member for Windsor—St-Clair availed himself of one of our rules, Standing Order 44, and no one objected. So, the Speaker showed some flexibility in recognizing the hon. member for Windsor—St-Clair.

[*English*]

There being no further members rising for debate, the time provided for the consideration of private members' business— Oh, I apologize, the hon. member for Glengarry—Prescott—Russell.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I indicated when I rose on a point of order that I wanted to speak next.

First of all, I want to congratulate the hon. member for Dartmouth who effectively made such an important contribution, as he usually does, to this debate tonight. As the consumer critic for the Liberal opposition the member for Dartmouth is very concerned about prices in Canada, as we all should be. However, I must tell you, Mr. Speaker, that I am a little bit concerned about a Royal commission at this time.

I say this because we are having a debate right now in this country as to whether or not we have the money necessary to give a very justified wage increase to our civil servants. We are having some difficulty in finding the funds to do that. We are having a hard time finding the money to participate in social programs and other useful measures. At the same time, I see this request for a Royal commission, and examine its mandate:

> —to examine allegations of excessively high prices of various consumer goods and services in Canada as compared to other jurisdictions—

Who knows that those jurisdictions are.

> —and which would include considerations of such factors as costs generated by distribution mechanisms, excessive mark-ups at various levels, differential pricing, economies of scale, interest rates, and the exchange rate of the dollar.

That is a mandate which would probably be twice as expensive as the Spicer commission on which we spent $27 million we do not have. I say to the hon. member, who I know is listening attentively to this speech, the member for Windsor—St. Clair, who presented this motion to us, that I, as much as everyone else, want consumers to be better protected in Canada.

• (1950)

I have a solution to offer. I think that this is the kind of mandate that our own Standing Committee of Consumer and Corporate Affairs and Government Operations could perhaps undertake right here in the House of Commons, but not to spend whatever it would cost, $40 million or $50 million, to look at this thing.

We have stacks and stacks of reports of Royal commissions in this country, some good, some not so good and some totally useless. I say to you that the three Royal commissions that we had going at the time of the deposition of the last estimates, namely the Royal commission on reproductive technology, the Spicer commission for lack of a better name, and the royal commission on reform, between the three of them there is almost $100 million spent. I am very worried about us spending that kind of money at this time.

[*Translation*]

Mr. Speaker, I think that what we need in this country is better legislation to protect consumers. We especially need, as legislators, to protect the Canadian consumer. But for goodness' sake, Mr. Speaker, the last thing we need at this time is another Royal commission which will cost us, as I said earlier, God only knows how much. Fifty million dollars or so maybe. All that, of course, to produce a report which will unfortunately end up in file nine. We simply cannot afford such an expense, Mr. Speaker. Its mandate would be much too broad. I would suggest that our colleague withdraw his motion and move instead to refer the matter to the Committee on Consumer and Corporate Affairs and Government Operations, which could examine consumer prices in Canada, maybe comparing them to prices in the United States but certainly not with those in the rest of the world. This would be almost cost neutral. By this I mean that the costs could be borne within existing budgets instead of wasting money on another Royal Commission.

[*English*]

In closing, I hope that all members will think very seriously about establishing yet another Royal commission. It seems that we hear about Royal commissions every second week in this House and it is, upon occasion, an almost sexy thing to bring up. Well, maybe it is, but I think members will agree with me that it is time we put an end to some of these kinds of expenditures and try to favour some way of helping our constituents at lower costs to Canadians. Probably, because of the influence that we have as members in this House, in which I hope that we do have, that if a committee of this Parliament would look into this issue instead, we would actually have more influence than a Royal commission in any case in terms of getting something adopted by the government to help out the consumers in this country.

In summary, let us narrow the mandate for what is being proposed here. Let us make a reference to a committee instead and let us get away from this business of spending another $50 million or so that we do not even have and that the taxpayers of Canada are tired of seeing us spend their money.

[*Translation*]

The Acting Speaker (Mr. DeBlois): No other member wishes to speak on this issue?

There being no further member rising for debate, the time allocated to consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

This House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7.52 p.m.

HOUSE OF COMMONS

Thursday, September 19, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

RAILWAY ACT

MEASURE TO AMEND

Mr. Peter Milliken (Kingston and the Islands) moved for leave to introduce Bill C-273, an act to amend the Railway Act (Telecommunications).

He said: Madam Speaker, the purpose of this bill is to do exactly what Bill C-41, introduced by the government in the last session, would have done and that is assert federal jurisdiction over Crown corporations that operate telecommunications companies.

The government introduced this bill with great fanfare following a decision by the Supreme Court of Canada in, I believe, August 1989, and then abandoned the legislation and let it die on the Order Paper. We frequently suggested that the government follow through with this, but apparently it lacks the backbone. This bill is designed to stiffen its resolve in that regard and place the matter up for discussion once again.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CONVERSION OF NUCLEAR WEAPONS INDUSTRY

Mr. Dan Heap (Trinity—Spadina) moved for leave to introduce Bill C-274, an act to provide for the conversion to civilian uses of technologies and skills used in the nuclear weapons industry.

He said: Madam Speaker, the purpose of this bill is to assist in the transition from production of nuclear weapons to production for peaceful purposes. It requires a company in nuclear weapons production to establish a committee of management and employees and the community to plan for that transition. It also requires the company to deposit 2.5 per cent of its annual gross revenue into a fund for this purpose and specifically for paying benefits to employees who lose their jobs in the transition.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1010)

PETITIONS

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I have the honour and privilege to present a petition signed by a number of Canadians from a number of provinces, all calling upon Parliament to support the NDP plan to restore VIA Rail services that were cut on January 15, 1990 and maintain, where appropriate, upgraded remote services on which many Canadians rely, provide a legislative mandate for VIA Rail and make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the rest of the western world.

[*Translation*]

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Madam Speaker, I have the honour to table a petition signed by residents of Val d'Or, Sullivan, Saint-Eustache, Dubuisson, Malartic, Senneterre and Barraute. During the review of the Canada Labour Code, Parliament is asked to consider the deficiencies of this legislation and recognize the need for including clauses on preventive withdrawal of pregnant employees with full pay.

[*English*]

CANADA POST

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a number of petitions, first of all from residents of Port Alberni who criticize the unwanted and unfair cutbacks to postal service across the country, including the removing of mail sorting services from the community of Port Alberni against the wishes of residents without offering adequate justification for such a move, resulting in lengthy and unreasonable delays in mail delivery.

The petitioners call upon Parliament to request that the minister responsible for Canada Post authorize the return of mail sorting operations to Port Alberni and other affected communities on Vancouver Island.

Further, the petitioners request that Canada Post Corporation be instructed to halt privatization, cut-backs and centralization of services, and also that Canada Post Corporation be instructed to make efficient service to Canadian households its first priority.

Madam Speaker, I have a second petition from the residents of Ucluelet, also in my riding.

The petitioners call upon the government, whereas the government has cut back millions of dollars to postal services throughout Canada resulting in multimillion dollars loss for B.C. communities, and whereas the consequences of these cuts have been the reduction and erosion of service and the effectiveness of the postal service whereas the results of these cuts has also been the reduction in the number of branch post offices in small and rural communities in British Columbia.

The undersigned petitioners request and call upon Parliament to urge the federal government to restore proper funding to Canada Post so that it can fulfil its mandate and role as the only viable postal service for all communities across B.C.

We, the undersigned—

Madam Deputy Speaker: This is getting to be two speeches from the hon. member, instead of presenting a petition.

Further petitions.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my pleasure to present a petition today on behalf of a number of residents of Kamloops, British Columbia who have heard rumours that the government plans to not fund the RCMP properly next year.

The residents are circulating petitions to ensure that it will not renege on support for the RCMP and are simply asking the Parliament of Canada to encourage the government to restore proper funding for the RCMP in the future to enable it to fulfil its mandate that we all know.

MULTINATIONAL RESOURCES

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I have a petition on another matter which is a very serious issue in British Columbia particularly regarding a company called Multinational Resources.

The petitioners are from Clearwater, Barrier and Vavenby, British Columbia. They point out that a Vancouver firm, apparently with the support of the provincial government, has announced its intention to dam the North Thompson River at Vavenby and divert the river through a whole number of channels to San Diego, California.

The petitioners are asking the Government of Canada to speak out that Canada's rivers are not for sale.

AIR SERVICE

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, I have the privilege this morning to present, on behalf of the Finnish community in Thunder Bay, a petition requesting that the direct air link between Canada and Helsinki, Finland be maintained.

As you may not be aware, Madam Speaker, outside of Helsinki, the Finnish community of Thunder Bay is the largest Finnish community in not only Canada, but North America.

Since our direct air link will no longer be effective as of November 1, the petitioners request the members of the government to do something to maintain and retain that air charter between the two countries. It is entirely appropriate, too.

TRANSPORTATION COSTS

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, while I have this opportunity, I would like to present another petition on behalf of those in northern Ontario who are forced to pay such high transportation costs. The cost of transportation from northern Ontario to other parts of the country is absolutely beyond reach

of most average citizens. The air fares are horrendous. We no longer have VIA Rail. Now the price of gasoline is getting to a point where it is no longer economical for people to go back and forth to work. Therefore, 230 people in my community have requested this government to look at the cost of gasoline in northern Ontario and reduce the taxes accordingly.

CANADA POST

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I have a petition here duly authorized under Standing Order 36 and signed mostly by constituents from the community of Dundurn. They point out that the recent actions by the government have been a direct attack on the rural way of life in Canada and those attacks include cuts to VIA Rail, abandoning the rail lines, neglect of the fishery, the forest, and agriculture, and particularly as far as their community is concerned, the closing of rural post offices. They call upon Parliament and the government to restore funding to VIA Rail and so on, but also to reverse this terrible stand that Canada Post has taken in closing down the rural post offices which are such a centre to rural life.

EDUCATION

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, in conformity with the rules and regulations of the House of Commons, I have a petition to present from students across Canada. There are over 4,000 signatures on these petitions which refer to the serious cuts that have been transferred to the provinces by the federal government, to the closures of employment centres, and most of all to the 3 per cent administrative fee on student loans. That is the one I referred to yesterday, Madam Speaker, where students have to pay cash up front before they get their loans. It makes a mockery out of competitiveness, the whole idea of a learning culture.

CANADA POST

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I am privileged and pleased to present a petition signed by some 1,100 residents of Gabriola Island, approximately half the adult population. They are complaining that actions of the government are a direct attack on the rural way of life, including cuts to VIA Rail service, abandonment of rail lines, neglect of fisheries, forestry, agriculture, and especially the erosion of rural postal service, particularly the closure of small rural post offices.

They complain that Canada Post Corporation has not even bothered to talk to a single resident about their needs, and they urge, pray, and call upon Parliament to instruct Canada Post to cease its closures and privatization of rural post offices, and to maintain the post office on Gabriola Island.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Charles Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY, S. O. 81—AGRICULTURE

Mr. Vic Althouse (Mackenzie) moved:

That, in view of the desperate financial cash flow crisis facing Canadian grains and oilseeds and horticultural producers in this transitional year to the new safety net programs, this House calls on the government to consider the advisability of providing, this summer, third line of defence cash assistance on an emergency basis so as to provide the same net level of support that would have been provided under the Gross Revenue Insurance Program (GRIP) and the Net Income Stabilization Account (NISA), had they been in place for the 1990-1991 crop year; and

That, in the spirit of House of Commons reform and in recognition of the clear and urgent need, the House does not consider this to be a question of confidence in the government.

Mr. Riis: Point of order, Madam Speaker. I simply would like to indicate to the House that according to the new practice, our agricultural critic will speak in the first slot of the New Democratic Party during the day. The second slot will be shared by the members for Essex—Windsor and Moose Jaw—Lake Centre, and the third

slot will be shared by the members for Regina—Qu'Appelle and Nanaimo—Cowichan.

• (1020)

Madam Deputy Speaker: I thank the hon. member and I do understand that the first speaker will be using the full 20 minutes and then the other 20 minutes will be shared. The Chair would appreciate, nevertheless, that the names of the hon. members be given to the Chair in advance. It would make things easier.

The hon. member for Algoma.

Mr. Foster: The Official Opposition will be doing the same thing. I will be leading off for our party and taking the full 20 minute period and after that we will be dividing the time with 10 minute periods from our side.

Madam Deputy Speaker: I thank the hon. member. Debate, the hon. member for Mackenzie.

Mr. Vic Althouse (Mackenzie): Madam Speaker, I think this motion we are putting before the House today may break some new ground in that it is a motion which has activity from all sides of the House, from all parties. The proposal probably originated this summer with a request from the member for Haldimand—Norfolk to the chairman of our agriculture committee, the member for Perth, requesting a meeting on the subject of the farm financial crisis that exists in rural Canada.

Our chairman, who is always forthcoming when it comes to addressing agricultural problems, called a special meeting before the House resumed. We heard from agricultural officials and members of the farm organizational community, and a resolution proposed by the member for Algoma and seconded by the member for Prince Edward—Hastings was put to the group. It was virtually the same as what we have presented to the House this morning. That motion was passed with the unanimous support of all sides of the agriculture committee because of the extreme urgency of the problems that exist right now in rural Canada.

I know that members from across the country will be addressing this problem today and I know that in the 20 minutes which I have it is extremely difficult to outline all of the background of the problem and give an overview for those members of the House and public who perhaps are not as well attuned to the difficulties that have risen in rural Canada. However, I will attempt to provide the genesis of the problems, what has been going on, and what is being proposed by the agriculture committee, the farm community and the population in general.

This particular income shortfall that is hitting rural Canada at the moment, and in fact farmers in a lot of countries, began with the resources boom in the early seventies when energy prices rose four, five, six, seven times; food, forest, fishery products and minerals tended to follow. As a result of increased prices, a lot of countries that had not been exporting food products became exporters in an attempt to gain some dollars through export trade.

In response to this, many governments in the western world responded with a monetary policy that used high interest rates as a means of restricting inflation and placing controls on their own dollars, or whatever their currency denominations are.

The effect of these two things was that prices went up in most countries because of the increased trade and the increased demand for these basic food products. As a result land prices went up a bit and there was a bidding war for the capital, equipment, machinery and so on that farmers used.

On the other side, the government reaction in many countries was to raise interest rates, which meant that the debt the farmers had incurred to recapitalize was costing them far more than they had budgeted for.

A third, and perhaps most important factor, occurred in the early 1980s when it became obvious to some of the so-called larger powers in the world that this was a power struggle of economic importance and of importance to the way they wanted to view themselves in the world order of things. European policies basically set up a restitution fund to handle the problem of low-priced imports coming into a high-cost market. If wheat hit the border of one of the European Economic Community representatives at $4 a bushel but was protected at a level of $8 Canadian, the importer had to contribute to the restitution fund the difference of $4 for every bushel that was imported.

That fund accumulated reasonably large amounts of money which were then used by the community to dispose of any surpluses that were generated from their domestic production.

The United States realized that now that Europe was beginning to produce enough grains and oilseeds to become an exporter, it would have to do something in response to ensure that its position as a dominant exporting power would continue. Therefore, it began to examine ways of ensuring that its farmers were well protected. It increased the subsidization levels internally and lowered the loan rate to farmers which, under stress conditions in the mid-eighties, became the world price.

When the U.S. farmer completes his harvest, he can lock his grain up at the loan rate which is currently just over $2 in Canadian funds, about $2.30 or $2.40. He gets the money. If the market price goes up he can pay off the loan and re-sell the grain at a somewhat higher price. However, under current conditions the internal market price has not been going up. As a result, the U.S. government is stuck with those stocks. It offers them to the international grain trade at the loan rate, or close to the loan rate, which means that all competing countries are going to have to meet a price just over $2 per bushel.

An hon. member: Shame, shame.

Mr. Althouse: It is ironic that if that loan rate was at $4 or $5 a bushel, the Europeans would have a depleted restitution fund because the importers of products from outside Europe would not be contributing to the restitution fund, and there would not be any money to finance the disposal of their surpluses at high subsidized levels. However, we are locked into this political power struggle between the two competing economic power blocs and Canada, Australia, Argentina, and the other traditional world grains and oilseeds traders are caught in the middle. Their producers are being asked to bear the brunt.

What has this meant for farmers and for rural communities and for the Canadian economy? I could provide all the statistics available from Agriculture Canada, the farm organizations and Statistics Canada outlining the billions of dollars of shortfall that have occurred, the billions of dollars of debt that have accumulated. However, because of the shortness of time, I will simply point out some of the things that I see happening around me in my community. I live on a farm in a rural riding and I visit the rural parts of Canada from Atlantic Canada to British Columbia quite often.

I see the same patterns emerging because this war has been going on for six or seven years.

• (1030)

A lot of families, a lot of communities and a lot of provincial economies are getting very war weary. First of all, you see a huge build-up of personal and community debt. You see businesses closing. Sometimes they are being closed because the bank tells them they don't have any credit and sometimes they are being closed because their creditors are tired of carrying them and force them into bankruptcy.

At the family and community level, people are withdrawing from the community. They no longer really communicate with their families. Their troubles are on their minds. They are worried about how they are going to be able to borrow the dollars necessary to pay the debts that have accumulated for that month, or for that season in the farmer's case.

Children sometimes do badly in school. Good students suddenly no longer can carry their class load. Families are breaking up. Businesses are breaking up. Families are leaving the community, sometimes in three or four pieces with the mother going in one direction, the father going in another, the adult or teenage children going someplace else, and the small ones having to decide whether they get taken with their fathers or their mothers.

You see alcohol abuse and worst of all, an all-pervasive sense of failure.

Madam Speaker, that has to be attacked if we are going to have economic recovery in this country and a sense that this country of Canada has a future as a country.

Rural Canadians are resilient people. They come from pioneer stock. They are optimists at heart. They do not mind working hard. They do not mind a few years of hard times if they think there is something at the other end.

The market fundamentals just now in the world for those who look at world trends and understand markets are sending them totally confusing pictures.

For three of the last four years, the world has failed to produce enough grains and oilseeds to feed itself. The carryover from last year was the second or third lowest carryover that we have ever had in history. Yet the price

keeps falling because of this stupid competition between the Americans and the Europeans.

The market is not functioning, it cannot function because of political interference by those two large power blocs.

The first few years, all of us said that this would go away, that they could not afford to keep this up forever. They are ruining the whole theory of trade and market economics. In a period of time when we are watching competing ideologies, eventually the market is going to have to be permitted to function.

What we have seen instead is the apparent collapse of the price setting mechanism used in the communist countries, and at the same time, we in rural Canada are living the complete collapse of the market economy that our side was supposed to believe in.

Eventually to the credit of our governments, federal, provincial and local as well as our community groups, have decided to begin to take some action. Many people have been working at this for a decade or more because the whole of the 1980s was faced with the onset of this problem.

In the past year, beginning a bit over a year ago, farm groups and the governments, federal and provincial, worked out a series of safety net proposals which we know by the acronyms GRIP and NISA. They have been discussed in this House, so I do not think I have to explain what they are to the crowd which is here this morning.

Those programs were in place at the beginning of this crop year which began August 1, 1991. In the euphoria of looking to the future and preparing future programs, one of the side effects has been that the crop year 1990–91, which ended on July 31, has tended to be forgotten.

There is a net income shortfall of something over $1 billion at the present time. That income shortfall has meant, according to witnesses we had before the agriculture committee, that net farm incomes in the grains and oilseeds sector will be something under $6,500 per farm family in that crop year. There were some areas and some farms that had a more positive income, but that is the average. And when you look at a range of poverty levels running from about $18,000 to $22,000, depending on the number of children in a family and the region the family lives in, that is a devastatingly depressing statistic, Madam Speaker.

The agriculture committee was attempting to have a new focus on the third line of defence with their motion that is now before us here today. The third line of defence was what was being discussed as a last option, a last measure, an emergency measure almost, when the effects of normal government programs do not work in providing incomes to rural communities.

We think that is the case in 1990–91, that a special measure has to be introduced for that crop year. There has been some talk and some action along those lines, but the committee is aware that the announcements up to this point simply deal with ameliorating programs that had to be announced last spring. I speak specifically of the program to reduce the GRIP premiums and to provide a NISA payment for the year just past. The NISA payment is appreciated, the reduction in the GRIP premiums is appreciated, but from the farmers' point of view that reduction in the GRIP premium was simply a reduction to an expense that they had not budgeted for.

GRIP premiums will make up between 10 or 15 per cent additional costs per acre for most farmers in the season just completed. There will be no advantage from those payments until the following year—which is sort of normal in agricultural circles—but it is an expense that is tied to that tax year and that calendar year and that is the tax year and the calendar year that is already, as I have pointed out, short more than a billion dollars.

It is that gap that I and my colleagues from the agriculture committee and from my party are urging the House today to address, to have the government address that income gap before it becomes ancient history and the trail gets too cold. The farm communities and those rural towns and villages are hurting so much that they cannot drag an additional billion dollars plus of debt into the coming crop year. Things are not going to be that good financially, given the current set of projections that they can add even further debt loads to the small business community and to the farmers.

I hear from my friends and neighbours in the small business community terrible horror stories of relatively small businesses being left with outstanding accounts of $100,000, $200,000, $300,000 which they see no prospects of collecting. They carry them on the books so they can keep the bankers satisfied that they are still running a viable business, can keep their credit rating, and can keep the doors open. In this way, they do not have to abandon their house and take their kids to some other

part of the country for education. But the prospects are not good.

• (1040)

I think that in keeping with the new sense of co-operation that has been suggested should occur in this Chamber, that is expected from our constituents and from Canada, that passage of this motion will set an example of the co-operation that can exist to help take the country toward recovery. We recognize at the agriculture committee level and in our party that recovery cannot come about if rural areas are left destitute. This motion is urging the government to take some action so that that destitution is addressed.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I noted with interest some of the comments of the previous speaker. I would like to ask him a question. Unfortunately, we now have an NDP government in the province of Ontario. Farmers in the province of Ontario are going through a very tough time this year as well. The minister in Ontario has had the opportunity to take part in the NISA program, which is one way farmers can get some assistance, albeit it is not all that should come forward and all that is needed.

To date the minister in Ontario and the Government of Ontario has failed to participate in that program to the extent that they had. For a very small investment by the Government of Ontario, they could assist Ontario farmers in obtaining tremendous numbers of dollars to help see them through.

I just wonder if the hon. member would care to address why he thinks that the Ontario government is not as supportive of Ontario farmers as it could be, and should be, and needs to be.

Mr. Althouse: Madam Speaker, I cannot speak for the Government of Ontario but I would observe that the difference being discussed here is that $100,000 worth of farm sales would amount to about $500 of assistance. Five hundred dollars is not a huge amount.

What the Ontario minister seems to be attempting to do is get the debate shifted to a more major kind of general support. Instead he had already committed a certain amount of funds to debt reduction and managing of debt for those people who were having some problems financing and continuing in business for the year. He thought that was more urgent at the time of the budget and that money has been expended.

I think that province, as all of the other provinces, is open to other suggestions. Ontario, and indeed all of the provinces, continue to make the point that the main hurt in this grain war has been as a result of external factors, international trade, questions of monetary policy, all of which are completely within federal jurisdiction. They are saying that their moneys are supposed to be spent for production programs and they have diverted their funds to managing to get another crop in to support the financing of the coming year's crop.

There is still an argument ongoing among a lot of the provinces with the federal government as to just whose responsibility it is. I think that is still going on and that this motion will help bring everyone back to the table to once again do something about addressing the tremendous net income shortfall that exists.

Perhaps $300 to $500 per farm would certainly be appreciated. The issue is much larger than that when you are looking at average incomes for families in the $20,000 range, and there are farm incomes just over $6,000. We have to use a much larger club than just the $200 or $300 response.

Mr. Maurice Foster (Algoma): Madam Speaker, I have a couple of questions for the hon. member for Mackenzie. I applaud him for putting down this motion today because it is essentially the unanimous resolution that was put in the agriculture committee. He is in a position, because of his tremendous influence with the premier of Ontario and the Minister of Agriculture for Ontario to really pressure them for action.

What we are talking about here today is the third line of defence or emergency aid to compensate farmers for the extremely low farm incomes during the 1990–91 crop year. I know that we will have marvellous speeches from the Minister of Grains and Oilseeds to explain how there will be interim payments under GRIP and all of those things with names like FSAM and so on. The bottom line is how much funding is going to be provided as emergency compensation for the shortfall in incomes during 1990–91. Those shortfalls are to be shared by the federal and provincial government, whatever the arrangement may be.

The federal government has put forward a program under NISA which would provide cash assistance relating to the 1990–91 crop year. It is my understanding that if the Ontario government would opt into that program, it would require a commitment of between $8 million and $10 million dollars for the province of Ontario, which does not sound like too much, looking at the magnitude of the problem out there. For that kind of a commitment by the province of Ontario, there would be some $24 million to $25 million available to Ontario farmers, grains and oilseeds producers, for corn, wheat, soybeans and other crops.

There is an existing mechanism. What they have to do is opt into that 1990 crop year and give their contribution, which I believe works out to .5 or 1 per cent. The figures are there. It is a pretty significant contribution.

Another area where I think it is very important for the hon. member to try to use his influence with Mr. Buchanan, the Minister of Agriculture for Ontario, is for special funding under the crop insurance mechanism. They have not calculated the total amount there but clearly, five counties in southwestern Ontario, especially Essex, Kent, Middlesex and Elgin and I believe one other, have suffered terribly. There is a need for special mechanisms under emergency funding or crop insurance.

I would ask if the member would try to use his influence to pry loose those extra funds.

Mr. Althouse: Madam Speaker, I am aware of the problems in that area of Ontario. I was there a couple of weeks ago and I am going back this weekend. I should remind the member that when there are drought zones of that magnitude, the crop insurance program under the existing federal–provincial arrangements functions as it has in the past. The federal government has on a number of occasions provided assistance whereby they have ignored losses from the previous year so that the coverage levels stay the same. They do not lose the step of coverage which is built into the program, which the member will understand. I expect that since it is a long–standing program, it will come into place.

My experience in having gone through that several times in corners of Saskatchewan, that I do not reside in, is that generally, later on in the year you will see such an announcement. It will be in place for the use of the farmers some months down the road.

• (1050)

Mr. Maurice Foster (Algoma): Madam Speaker, I think that this is an extremely important debate that is before the House because we are faced with a very critical time in Canadian agriculture this fall. I think that the motion today follows a motion which was put in the agriculture committee and was adopted unanimously.

The important part about this resolution today is that the member for Mackenzie has suggested that this is not a motion of lack of confidence in the government. I am sure that he did it deliberately because I do not think the people out there, especially in the farming community, exactly understand what goes on in Parliament. Maybe we raised their expectations too high because we passed a unanimous resolution in committee calling for special emergency assistance for compensation for the 1990–91 crop year.

Every time the agriculture committee passes a resolution it does not mean that the House of Commons, and most importantly the government, immediately responds. If this resolution were to be carried today, then I think that the government would be honour–bound to implement it in a fair way. It has a certain mechanism in it describing what amount of assistance is necessary, on the basis of the understanding that members of the Standing Committee on Agriculture had. So it is very important that it be done in a fair and honest way. If this recommendation and proposal to provide a net amount that would be available under the GRIP and NISA system had been in place for the 1990–91 crop year, those amounts of funds would be provided.

I know that there are debates going on between the government's minions and the agriculture community, arguing those figures and that, in my view, is really unseemly because of the desperate situation.

It seems to me that the motion that is before us today is about two or three things. It is really about human disaster in thousands and thousands of farming communities across Canada for hundreds of thousands of farm families. It is about a government's commitment and a government's word. It is about a trade war that has been going on in grain for the last four or five years. Most of all, it is about the government's response to that disaster, the government's commitment, whether it is going to

honour its word and whether it is going to really move into a new era of support in an honourable and a clean way for that trade war. That is what this debate is all about. I want to talk about that today.

The human disaster affects literally thousands of farm families. I think that most of us who are from rural areas have talked to those people: people who do not have enough money to put food on the table; people who have diesel bills from last spring that they have not paid; people whose farm taxes are two or three years behind; people who simply cannot meet their debts. Something happened on August 1. The value of a bushel of wheat suddenly went from around $3 or $4 a bushel down to a couple of dollars a bushel. This was brought home to us very forcefully by Earl Geddes, president of the Keystone Agriculture Producers, when he was speaking before the agriculture committee on August 29. He pointed out that the value of his inventory in the bin that week had suddenly been devalued by 30 per cent. He also pointed out that the average amount of debt from the cash flow enhancement program was $9,000 for every farmer in Manitoba. Suddenly he is paying off those debts with grain worth $2 a bushel rather than with grain worth over $3 a bushel. The manifestation of that is springing up in communities across Canada.

Five farmers were sitting down having coffee in Lucknow or in that area of southwestern Ontario a few weeks ago and said: "We are in a terrible position. We cannot meet our debts. We did not get the special assistance from the last crop year. What are we going to do?" They said: "Let's each go out and get five other farmers and try to have a meeting and talk about this". They did. However, instead of having 25 people out for the meeting, they had 80 people. They said: "Gee, maybe we should have a rally to talk about this and to express to the Government of Ontario and the present Government of Canada how serious the cash flow problem is". So they did and a couple of weeks later they had over a thousand farmers out in Lucknow for a meeting.

Interestingly enough, I have talked to several of the farmers who attended. Something like 856 of them signed a petition saying that if the government does not act by the first of October there is going to be very dire consequences. They are talking about withholding their federal and provincial taxes. They are talking about more rallies. They are talking about the desperate situation in which Canadian farmers find themselves today.

It is not as if that is an isolated case. There have been similar meetings in Miami, Manitoba and in Russell, Manitoba. There is another rally planned for tomorrow in Brandon and another for early October in Winnipeg. Other rallies are springing up.

This is not all that surprising. Every farm group—and the chairman of the agriculture committee will confirm this—that came before the agriculture committee last February, March and April when that legislation was before the House indicated that they generally supported it. They had amendments and proposals, but generally they supported it as a new departure for safety net programs. But there is a problem. The value of a crop in 1990 dropped dramatically. At the same time that wheat was going from $135 a tonne to $90 a tonne on the world market, the government support programs dropped equally. They dropped by a billion dollars in western Canada and $300 million in eastern Canada.

We cannot sustain two drops like that without having dire consequences for every group. They told us that they supported the legislation but there had to be a third line of defence or special assistance for the 1990–1991 crop year.

The problem is that that assistance did not materialize. The government put out a program on April 18 called FSAM, Farm Support and Adjustment Measures. Farmers call it the federal smoke and mirrors program because much of it was to pay premiums for both the province and federal government and reduce premiums for farmers for these programs.

• (1100)

Some of it was to extend existing programs for cash flow enhancement and so on.

There is only one part that is considered, and that is a NISA program. That is the one that the Ontario government has not opted into for that year. It supposedly will provide some $337 million, according to the minister's statements this week.

That is the problem today, that these farmers entered into an agreement. They took out premiums in a long-term safety net program. The government did not meet

its commitment to providing assistance for that shortfall in the past crop year.

That is what the rallies are all about and that is what the rallies will continue to be about. There will be rallies across this country until the government moves. I personally hope that the government will move before there are violent confrontations or other actions which are totally destructive and harmful.

Therefore, the issue here today is really about a promise made. I recall those great lines of Robert W. Service: "A promise made is a debt unpaid and the north has its own stern code" .

I believe if the government does not meet the commitment it made to Canadian farmers last spring, the north will have its own stern code. It is up to the government to provide the special financial assistance. It is not all the federal government; it is clearly a responsibility of provincial governments.

There have been various mechanisms suggested. A few days after our agriculture committee meeting in which we said that there had to be special financial assistance over and above the GRIP program, the minister's own advisory committee met in Winnipeg. It put forward a proposal saying there had to be special funding, that it did not want to destroy the GRIP, and that it wanted to have that special financial assistance provided now.

The assistance that is going to be provided in this coming crop year can be done under GRIP, the Gross Revenue Insurance Program, rather than for this coming year.

One of the proposals it suggested, the third line of defence committee in Winnipeg, was in terms of the NISA program, the Net Income Stabilization Account program which was being used, that the provinces could opt in fully for 1990–91 and that program could be doubled. That would be a mechanism. It suggested that since the mechanism was in place, they should do that.

I have already suggested to the hon. member for Mackenzie that in the Ontario region it is essential that Ontario come forward. One mechanism it can do to help in that situation would be to opt in to the NISA program.

The Ontario Federation of Agriculture and four other farm groups in Ontario held a press conference yesterday. They talked about "no support, no farmers, no food". This is the logo of those five groups. They see the shortfall over and above what has been proposed under NISA as $124 million. They talk about the dire consequences if this shortfall is not met by government. They talk about having to get this situation fixed quickly and the effect on farm losses being felt right across the province. There are a lot of individuals and businesses that make a living from agriculture and the food sector and their livelihood is also at stake.

This is more than fulfilling a commitment for the 1990–91 crop year. Clearly, the issue is spelled out. The need is really desperate.

It is interesting that not only have government members supported the resolution, but they have spoken out about the dire consequences of lack of action this fall on this special funding.

The Minister of Agriculture, in his responses in the House on Monday of this week, used the old smoke and mirrors approach by saying: "We do not want to talk about this whole business of shortfall, the third line of defence and all that. We are going to be making an interim payment under GRIP", much of which will be used up by the premiums that the farmers have to pay.

The figure he quoted was $406 million. It is interesting that that is in the same ballpark as the $350 million premium that farmers will have to pay under the GRIP program.

I think it is important to remember that the need for GRIP, NISA and third line of defence really comes from the international trade war. We have never seen anything like it. Grain and wheat are at $2 a bushel. In real terms, they tell me that it is lower than it was in the 1930s. It just calls attention to the international trade war where some 300 billion in American dollars are being wagered or fought back and forth. It is probably one of the most expensive and most damaging trade wars in history.

Of course it is only one-third of the trillion dollars that is spent on arms, but for Canadian farmers it is a total disaster. They cannot meet their bills with $2 wheat in 1991.

We are hoping the talks at GATT will be successful this fall. I understand they are going into the final round in the next two or three months. The success there is absolutely essential because the United States, through its export enhancement program, is going to up the ante. It has moved from $600 million to some $900 million this summer and this fall for driving down the price of grain, oilseeds and other farm commodities.

Next March that goes up to $1.2 billion. Clearly it is going to escalate. As far as we know right now, the need for GRIP payments in the 1992 calendar year will be essential. If they are used through interim payments of the Gross Revenue Insurance Program to solve the shortfall and farm income, the cutbacks that the government implemented last year, clearly farmers are going to be in the worst possible situation next year, because of the funding that should be provided under that program is not going to be adequate.

It seems to me that the question here today is most of all: is the Government of Canada going to take its responsibility? How will it respond? Will it respond now in a fair and just way for the cutbacks it made in 1990–91 crop year? Will it be dragged, kicking and screaming, after thousands of farmers have rallied all fall in communities like Lucknow, Miami and Battleford, Russell, Brandon, and Winnipeg, Manitoba, and the Lord only knows how many other places in Ontario? Will it respond now in a timely manner for the shortfall that they suffered?

After all, the government has brought in a program where it is going to be putting up something like only 42 per cent of the premium under GRIP. It has offloaded drastically its support. It is 35 per cent to farmers, 25 per cent to provincial governments. The need is for transitional funding for the 1990–91 crop year.

When the minister for grains and oilseeds responds today to the unanimous resolution of the House of Commons, I hope he will respond in a full and forthright way. Otherwise, there is going to be chaos, disaster and personal hardship for hundreds of thousands of farmers across this country.

• (1110)

Mr. John Harvard (Winnipeg—St. James): Madam Speaker, I would like the hon. member for Algoma to comment on one dimension of the farm crisis. The agricultural community is now facing the loss of its best farmers.

The hon. member for Mackenzie mentioned in his speech a few minutes ago that this pernicious trade war has been going on for a number of years. It is not new. It has been going on now for about six or seven years. In that time it has had devastating effects on the agricultural community.

I understand that in the province of Saskatchewan alone two families a day are leaving farms. According to my calculation, over 3,000 families have left Saskatchewan farms in the last five years. Perhaps some of those were marginal operations. Perhaps a few of those were not the best farmers in the world. My understanding is that the situation is now so serious that some of our best farmers are teetering on the brink of bankruptcy. If something is not done very soon we will lose our very best farmers.

I would like the hon. member for Algoma to comment on that if he could.

Mr. Foster: Madam Speaker, I think the question the hon. member for Winnipeg—St. James has posed is a very serious one. In fact, a great many of our farmers are part-time farmers. They not only have their farm income but their spouse works off the farm, and often they too work off the farm.

I was at a meeting just last Friday with a group of farmers. The argument that one put to me was: "I have a very good operation. I run a very efficient operation. My wife works off the farm. She brings in a pretty good income. I have been working off the farm because I have been having trouble making a go of it. We are still going backwards with two of us working off the farm and doing the cropping and seeding in the time that we are not working. We are still going backwards".

I think that is the argument. That is what those farmers were saying. Just three weeks ago the hon. member and I met with a group of farmers in Portage in Manitoba. The same argument was made. A woman there spoke for herself and her husband: "We are very good farmers. We are very efficient. We have not bought any significant new machinery in eight years. Yet we are going backwards. We are just grinding away at our equity".

That is the key point. People want a signal. There should have been a hiatus last spring when we were moving away from an old system of safety nets to a new system that required farmers to make a larger contribution, that required provinces to make a larger contribution. By its very nature the federal government was reducing its requirement. Yet we did not get a clean launch on the system because the federal government

and the provincial governments did not provide the transitional funding.

It was laid out very clearly before the agriculture committee. The Ontario Commodity Council, which represents a broad range of producers, said: "For the shortfall we need at least $200 million", and things have gone badly since then. Crop prices have gone down. Western Prairie Pools Inc., all those groups from the west, Keystone, NFU and other groups were saying there is a shortfall of at least $1 billion. They are saying: "Provide us with the net difference". Unless we have that kind of assistance and have it quick and clean, the government's credibility and the government's support program, the GRIP program, is going to founder. As well, thousands of farmers are going to founder because they did not get that compensation, that transitional adjustment, for the 1990–91 crop year.

Mr. Lyle Vanclief (Prince Edward—Hastings): Thank you, Madam Speaker. I would just like to back up and support a couple of things mentioned by my colleague from Algoma. I would just like to emphasize to the House and to all who are watching today what is really happening out there. I have farmed all my life, though I have not farmed as actively during the last two or three years. I am absolutely astounded at the number of farm suppliers and people who do business in the agricultural community who are coming to me and phoning me and commenting about the level of their outstanding accounts at this time of year.

Farm fertilizer and farm supply people are saying that they are more than double what they were a year ago, and farmers know that the crops they have are worthless and they are not going to be able to pay those bills. Farm fuel suppliers are saying accounts receivable are an astronomical percentage. Bankers are already saying that if farmers do not roll and pay off their operating loans completely at the end of the year, whatever they carry into the next year will just be taken off of next year's operating loans. No business can go on like that. It is tearing the whole agri-food industry apart.

Farmers and the whole industry are disappointed. They were told they were going to have support during the transition from the old ad hoc system of support for agriculture to the new safety net program system. Everybody was led to believe and told that: "If you will help us get that together, we will not see you go down during that transitional period". That has not taken place. Quite frankly, no one can say that it has taken place.

One can throw around the figures of what the new program is going to do. However, I would just ask my colleague if he could briefly comment on the following question. There is talk of an interim payment on the GRIP program, which many of us supported. We may have some questions about it, but it is there. However, if we are going to put an interim payment of GRIP into place in October or November, is that not taking from what should be next year's pay cheque for this year? Is that solving the problem we have today, or are we just putting it off and hoping and praying that someone from on high will create a different situation next year?

• (1120)

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Madam Speaker, I concur with the two previous speakers that this is a serious time for Canadian farmers. About half of the production annually of Canadian farmers is in the grain and oilseeds sector, and it is experiencing the worst prices, I would suggest, ever in the history of that sector of Canadian agriculture.

The prices that are prevailing on the world markets today are roughly the same as the prices that farmers received 20 years ago for their product. The farmer hauling wheat into an elevator in western Canada, for that matter in Ontario or any place else—Prince Edward Island produces wheat and wheat is produced from coast to coast in this country—is getting in the neighbourhood of $2 a bushel, and in some cases it is less. That compares to the full realized price for wheat in 1971 of $2.15 a bushel. Simply what is happening is that farmers are being asked to live on the same kind of income that they had in 1971.

I want to suggest that for a consumer or a taxpayer to put that into perspective, just think of where any of us would be if we were going to have to meet today's expenses of living, supporting a family, running a business and doing whatever on the same kind of income that we had in 1971. None of us would last very long and,

quite simply, that is the situation that faces a big part of Canadian agriculture.

The other side of it is that when you look at it, and it has been stated here by the hon. member who just spoke, Canadian agriculture is pretty good at what they do. We produce a good quality product and, by and large—and I will speak as a farmer because I still farm—we are not bad at what we do. We get up in the morning and if you look around the country this year, and there are some exceptions because there has been some drought in some areas and some pretty severe drought especially in parts of Ontario, the fields are clean, the crop is off, the fall work is done to the extent that it is going to be done, We run a pretty good show, but when international prices are where they are, it does not matter how good you are, the competition we are up against has nothing to do with how efficient you can produce. The competition we are up against is run by countries and people with larger treasuries. That is what is very difficult to accept.

Just to make the point further, the Canadian Grains Commission, which is an institution in Canada that has been here since the early part of the century and is responsible for weighing, grading and seeing that the quality of crop we produce is handled after we produce it, estimates this year that this is probably going to be the best quality crop that we have ever harvested.

So we have got a situation where farmers are good at what they do. They have produced probably the best crop on record and yet prices are as low as they have ever been, I would suggest, and even lower than they were in the 1930s. I can give numbers that would suggest that in relative terms, and if you want to compare dollars in 1930 to dollars today, prices today are worse than they were in the 1930s.

Then you ask: "Why is that the case? Is the world awash in wheat? Is there no more need for additional food?" When you look at that side of it, it is even more puzzling because the world is going to produce somewhere between 30 and 40 million tonnes less wheat this year than last year. Our production is going to be down to something like 550 million tonnes of wheat nationally from 590-some tonnes a year ago. There are obviously more people around now than there were a year ago to be fed, so you ask: "Why are prices not going up instead of down?"

Quite simply, the situation that we are in makes no sense. We need more food because we have more people to feed. We produced less this year than last year. Our farmers are good at what they do and yet the prices are as low as they have ever been.

Quite simply, in my view, by far the majority of the problem rests with the European Community. It has since the start of its common agricultural policy, had some very high support prices. We do not object to the community paying farmers high prices, or however you want to talk about them, but high relative to the prices our farmers receive. We understand that Europe wants to produce food so that it can no longer worry about going hungry which it did right after the Second World War. But when those very high prices they paid caused large increases in production and those increases in production resulted in the European Community not only being self sufficient, but now being the second largest exporter of wheat in the world, then in my mind that is where, by far, the biggest part of the problem is and I think that is what we have to address to really solve this problem.

Just to tell you how critical the situation is, a European farmer producing Durum wheat—the wheat we use in pasta products such as noodles, spaghetti and lasagna, those kinds of things—this year is being paid $355 a tonne. Compare that to Canadian farmers who are coming out an elevator in southern Saskatchewan and getting something like $70 a tonne. If you compare that number to $355 a tonne, you can see the kind of problem we face.

On top of that very high price, there are what the Europeans refer to as disadvantaged regions in Europe that are receiving an additional, we have estimated, $111 an acre subsidy. That subsidy in addition to the very high price they receive has resulted in a dramatic increase in Durum production in Europe this year. Something like one third more Durum is going to be produced this year in Europe than last year. Where does it go? It is going to have to go on the export market. The export market is very thin, to use the jargon of the trade. There is not a lot of Durum wheat exported, only about 5 million tonnes annually in the world.

This year the Europeans, as a result of those very high prices and that per acre subsidy, are going to produce an additional 2.5 million tonnes to be put on the world market when the world market only absorbs about 5 million tonnes each year. The result, very high export subsidies that Europe pays when they export into markets that Canadian farmers compete in.

Quite simply, if our farmers are getting $70 a tonne and the European farmer is getting $355 a tonne in addition to a per acre subsidy, they have to export and we have to export. When we go to sell you can see the kind of subsidy that is going to be associated with that export sale from Europe. It is probably $250 or more dollars a tonne. This is absolutely outrageous. That is the problem we face.

Not only are they surplus in Durum, but the Europeans recently made a sale to China. The selling price was something like $85 a tonne Canadian. We estimate that the subsidy that went with that export sale was somewhere between $190 and $200 a tonne. Compare that to what our farmers are getting and you can see the kind of problem we face.

What we have is a situation where the Europeans believe, for some reason, that they can dump in third markets. Nobody agrees with dumping, which is selling in an export market below the price you sell in your own market. Nobody agrees with that. The Europeans do not agree with that. They take every opportunity they can to assail the Japanese or the Americans, or the Canadians for that matter, when they suspect that we are dumping in their market. Yet, when it comes to third markets, for some reason they think they have a God-given right to continue to do that.

That is what the GATT Round is all about. We absolutely have to address what is going on in these kinds of situations at the GATT Round that is as present still under way.

What the Europeans have done, with these large internal support payments to their farmers is increase their production dramatically so that they now are the second largest exporter—I am not only talking about grain and oilseeds—of sugar in the world, after Cuba. They account, I believe, for over half the exportable products on the dairy side. They are surplus in beef. They are surplus in pork. They are surplus, as I have said, in Durum and milling wheat. They have done this to totally distort world markets in agricultural trade and hence the situation we find here.

The hon. member for Winnipeg—St. James and I were at a meeting in southern Manitoba, a week ago today as a matter of fact, and there were somewhere around 1,200 farmers there. The farmer is virtually—I use the word "afraid"—he is scared because he does not know what is going to happen. Nobody can survive for very long on $2 wheat. As I said it is the same price they were receiving 20 years ago for the product they produce. None of us could live today on the kind of salary that we made 20 years ago to bring it forward and have to meet today's expenses. That is the situation that is out there. What do we do about it? I have several suggestions.

• (1130)

First of all, in response to the member for Algoma when he made the point that if we pass this motion—and I want to conclude and say a few things about the way this motion is worded—I do not think that members should in any way, and I think he said, be honour bound to do what is suggested in the motion.

We have accepted our responsibility on behalf of Canadian farmers in the past and we have every intention of doing as much as we possibly can to keep our farmers in business in the future. Regardless of whether this is a motion that is passed or defeated as far as the opposition is concerned, I think our record speaks pretty loud in terms of the kind of support that we have for our farmers.

There are several things we can do. I understand the concern about the amount of money that should be there to meet the difference if GRIP and NISA had been in place for the previous crop year. I want to suggest that if in fact we were staring $5 wheat in the face and whatever that means in terms of corn prices or canola prices or soybean prices, I am just using $2 wheat as a means of pointing out how bad it is across the sector, I do not think there would be nearly the concern about last year's lack of income. Again, I think we had better be pretty careful about tying it to what GRIP and NISA would have kicked out a year ago because the Department of Agriculture has done some numbers to show that GRIP and NISA would likely have put out less money for the 1990-91

crop year than was presently available under several programs that were there. I do not think that is the point.

I think the point is that there is real concern in the farm community that with these kinds of prices if they prevail very long, there are not going to be very many farmers around. I for one am concerned that if farmers are staring at the same kind of prices in the face when they go to the field next spring as they are now, what is likely to happen. It is my view that we are going to see a big number of acres not seeded at all. That, in my view, would be a big tragedy, not only for the way we use our land, but for the whole infrastructure that is there.

I have numbers here to show that the number of farm machinery dealers is down dramatically, depending on the part of the country you come from. It is down probably as much as 25 per cent right across the country. The whole infrastructure gets to be questionable as to how long it can survive. If you start losing that, then no matter how quickly grain prices come back, it is going to take a period of time to get some of those farm dealerships, fertilizer people, the farm chemical people and all those people back into business.

In the meantime, I think we have to do everything in our power to point out to the Europeans that what they are doing is totally unacceptable. In many ways it is like an invisible invasion on us. They have destroyed our markets internationally and we are suffering the consequences at home. The evidence of it was there at the meeting we were at last Thursday in Miami. The evidence of it is here in the kind of debate we are having in the House today. What they are doing is totally, totally unfair.

Their tariffs are away out of whack. For instance, when we buy automobiles from Europe, the tariff coming in is 9.2 per cent. When we send automobiles to Europe, the tariff is 29 per cent. What I find even more despicable—and I could use stronger language, but it literally is despicable—when we send our wheat to Europe the tariff in some cases is as high as 200 per cent. How can that be fair?

We produce a high quality product as far as wheat is concerned. When we send it to Europe, the tariff, because of their variable import levies, runs as high as 200 per cent. When we buy cars from them—they make good cars, we are not saying they do not—the tariff is 9.2 per cent. When we look at the balance of trade, the balance of trade is in their favour. The European Community, the 12 countries, run a balance of trade surplus with Canada that has been running $3.5 billion or in that neighbourhood.

The tariffs are decidedly in their favour and the balance of trade is decidedly in their favour. Yet when we go to compete with them, we find it very difficult because of their size. We have to do everything we can to let the Europeans know that this cannot continue. We have been doing this at the GATT negotiations. We walked away from the table when we were in Montreal two and a half years ago because they refused to deal adequately with agriculture. We did the same thing last fall in Brussels and said that: "Unless you are prepared to do something substantial on agriculture that is going to stop driving our farmers out of business, we have no intention of doing anything on the other areas that Europe wants to be dealt with in this GATT round".

Germany is an example. I do not understand Germany. By its own admission in conversations, 1 per cent of the German economy is agriculture. It is 1 per cent. There are ways in which it could support its farmers with the same monetary value, the same amount of money, without tying it to increased production.

At the same time, Germany now is the largest exporter in the world, both in percentage terms of its economy and in dollar terms as far as absolute amount. The Germans, of all people, with 1 per cent of its economy dependent on agriculture, should realize that unless it is prepared to address some very reasonable requests by the rest of the world—I do not have time to get into what is happening in the Third World—are going to find that the rest of the world is not going to give access to Germans for some of the manufactured goods it produces. Its common agriculture policy is damaging its environment.

For instance, I have figures to show that Holland uses somewhere between 25 and 30 times as much nitrogen fertilizer as we do in Canada. It has problems with its groundwater damaging its environment. Its common agriculture policy makes no sense, whether it is on the environmental side or the economic side.

As far as the Third World is concerned, the IMF for instance estimates that if you deal properly with agricultural trade in this GATT round, that you would increase the amount of earnings of Third World countries by as

much as $50 billion U.S. annually. Surely that should account for something.

We face a very, very large problem in this sector of the Canadian economy, not because we are bad at what we do. We are good at what we do. We have to address it, and we have to do everything we can at the GATT. In the meantime, we are going to do everything that we possibly can to keep our farmers in business until we get a solution at the GATT.

Again, I think we have a very good chance of doing something at GATT this time around so that we can finally get some rules in place for Canadian agriculture that treat agriculture in the same way that other commodities are treated.

We understand the problem. Our record is there to show what we have done. Our record is there to show what we have been able to do in terms of putting pressure on internationally, and we are prepared to continue to do that.

I want to take a couple of minutes if I can on the motion. Nobody can disagree with the import or the content of the motion "to consider the advisability of providing third line of defence cash assistance on an emergency basis to provide the same level of support that would have been provided under the Gross Revenue Insurance Program", et cetera.

I think we have to be careful on the numbers, because we want to stick strictly with the numbers. I can demonstrate that that same kind of support is there, but I do not think that is the issue. Farmers are concerned about cash, so nobody can find much difficulty with considering that kind of thing.

As I have already said, we are prepared to do as much as we possibly can. What I do have difficulty with is the last two lines of the motion I have in front of me: "in the spirit of Commons reform and in recognition of the clear and urgent need, the House does not consider this to be a question of confidence in the government."

The hon. member should know that this is not the case. He should know, if he wanted to speak to his House leader, that this is the kind of reform that is under consideration. If we were to vote for this motion because of the way the rules are in the House, because this is a supply day and because it is a surrogate motion if you will, on the budget, we are voting against our own budget.

If the hon. member wants to do this kind of thing, I would put a lot more stock in what he is saying. He could have phoned me up an offer or whatever for a kind of bi-partisan—if that is the right word—or all-party support. I have had some of those calls from the Official Opposition.

When he comes with this kind of a motion, I have to think that he is trying to play politics with Canadian farmers. As a farmer himself, he knows there is a desperate situation out there. Farmers do not need this.

To suggest that "in recognition of the clear and urgent need", the House does not consider this to be a question of confidence simply is not the case because this is an Opposition Day. This is a supply day. It is really a motion that is attached to the budget.

I suspect there is a lot of sympathy for the concern that is expressed in the main body of the motion.

• (1140)

To attach that on at the end really does not do any good in terms of sending out the right kind of signal from this place, which is that we understand the concerns of our farmers and that we are going to do everything we can to support them through this difficulty. I believe we will get through it, and I believe we are going to see improved grain prices.

In the meantime, as I said, and just to say again, we are going to do as much as we possibly can to see that our farmers get through this difficulty so that when we get better international prices and we can have some sanity in the European community—and I did not talk about the Americans or the Japanese, which I very much could—that we are going to have our farmers out there to take advantage of some of these better prices.

Again, I wish the NDP would stop trying to play politics in a very, very difficult situation out there with our Canadian farmers.

Mr. Althouse: Madam Speaker, on a point of order. Near the end of his remarks, the minister did raise something which I think is a point of order. As you know, being Speaker of the House, the whole motion itself ploughs new ground in terms of procedures in this House. The committee passed this motion, which under

normal circumstances and under normal times would probably not have been considered a proper motion.

It is offered as an all-party proposal. It was discussed as such in the agriculture committee. These types of initiatives have been discussed as long ago as during the McGrath commission report and was in fact a part of the recommendations from that report which have not yet been enacted or taken up.

I think the fact that all three parties saw fit in this case to take up the suggestion of McGrath, and to blink their eyes at the existing rules to permit this kind of wording to pass the committee and be submitted again to the House, and because it had passed the committee the House accepted it, that the minister should be aware that this was an all-party proposal from a very important committee and that we had discussed it informally yesterday.

This proposal had the added words to make it very clear that it was not the purpose of the committee or any members of the committee or any of the members or parties in the House that this should be an embarrassment to the government. What it should be is simply a reflection of, first, what the Standing Committee on Agriculture thought was a clear statement of what we thought. We are referring it today, which is the first opportunity we can find under the existing rules to bring it before the House so that the whole House may have an opportunity to discuss the issue as well.

I would hope that the minister and his cabinet colleagues would accept it as that. It is nothing more devious or less than simply an attempt to have the issue discussed in the broadest way possible, and in the full knowledge of the House and the public who watch the House.

Madam Deputy Speaker: I will, of course, listen to the hon. minister and I will also listen to the hon. member for Thunder Bay—Atikokan or to any representative of the other party as well.

I have been listening very carefully to the hon. member for Mackenzie. I do understand very well what he is saying and what he means, but my problem is one of procedure. In matters of procedure, I cannot take this really as a point of order because there are none of our rules that mention what the hon. member was saying. In practice, there is some kind of a convention in this House that the government does decide on occasion what the government will consider or not, a confidence motion.

Strictly speaking, I am in a difficult position as far as procedure is concerned. I will listen to the hon. minister and will listen if someone else wants to be heard, but I think we should be careful. The Chair cannot let this go on very long because it is not really a point of order.

Mr. Mayer: Madam Speaker, I listened very carefully to what the member for Mackenzie said. Again, I am not in any way talking about the substance, the main body of the motion. I read some of the transcript from the agriculture committee, of the Parliamentary Secretary to the Minister of Agriculture, the chairman, both members of the government. There was a unanimous vote and I think that some of the farmers I spoke to who were there appreciated very much the way it was approached, and I think we have had quite a good discussion here this morning.

That is not what I am speaking about, Madam Speaker. What I am suggesting is that the hon. member should know and he should check with his House leader that by definition a supply day, as part of the budget, which goes back to King John at Runnymede, by definition is a vote of confidence. So no matter how you couch it, and no matter how cute you want to be with the wording, if the government votes for this motion they are voting to defeat itself.

The message I want to leave to Canadian farmers, who we are talking about here and who we want to reassure, that by the government voting against this motion, which we have to do by convention—and if we could get together and get our rules sorted out so we don't have to do some of these arcane things, it would be better for everybody. But, in the meantime, I want to suggest to the hon. member that he learn the rules and that he stop trying to use the rules to play politics at a time when Canadian farmers need reassurance and not politics. When we come to vote on this motion, which I understand is going to be deferred until next week, we are going to have to vote against this—not because of the content of the motion but because of the way the NDP put this motion forward, Madam Speaker.

Madam Deputy Speaker: This point of order that is not a point of order is really taking a lot of time. If the hon. member for Thunder Bay—Atikokan who had asked to be heard before would agree, I think we should go to questions or comments following the speech by the hon. minister and get into substance instead of procedure.

Mr. Angus: Madam Speaker, I do wish to rise on the point of order because there is one element that has not been offered to you for your consideration and that of the government.

The motion as it is written—

An hon. member: We have already ruled on that. Are you challenging the Chair?

An hon. member: Why don't you listen?

Mr. Angus: Madam Speaker, if the hon. member would listen instead of bellowing he might learn something. What I want to offer to the Chair—and I did not notice that you had ruled, you just wanted to move on to questions and comments—this House—

An hon. member: The Chair ruled on the point of order.

Madam Deputy Speaker: Order. The hon. member for Athabasca is making my job more difficult than it should be. The hon. member for Thunder Bay—Atikokan.

Mr. Angus: Thank you, Madam Speaker, and in no way am I challenging your decision, if it in fact has been made. What I want to remind the House is that this House is its own master. Irrespective of whatever the convention has been, by motion this House, with unanimous consent, can do as it pleases. In the motion offered by my colleague it says very clearly that this House does not consider this to be a question of confidence in the government.

Madam Speaker, I suggest to you that the motion as worded gets the government off the hook. It was offered in a spirit not of partisanship but as a way to have this whole House follow the example of the standing committee.

Madam Deputy Speaker: I will, if I may, read only three lines from Beauchesne, which says:

> The determination of the issue of confidence in the government is not a question of procedural order and does not involve the interpretive responsibilities of the Speaker.

So it comes back to what I said earlier, that the government and the government only can decide whether a question is or is not a question of confidence. I would imagine that all parties will at one point talk about it and make their own decisions. But this is not something that the Speaker can do for the House.

We will go into questions or comments. The hon. member for Algoma.

• (1150)

Mr. Maurice Foster (Algoma): Madam Speaker, although I do not think the government would have fallen if this motion had been carried, I think it becomes a fruitless debate to spend very much time arguing. If the government decides that this is a question of confidence, then it is going to vote against it. I think your ruling is sound there.

I am really interested to know something from the minister. He certainly gave a great description of the problems that the world faces with the EEC support programs and so on. I think the key issue after all is that he is the Minister of Grains and Oilseeds, and along with the Minister of Agriculture, carries the prime responsibility to cabinet. I am encouraged if press reports are right, that he has been waiting on his colleagues in cabinet to find additional funding. Although the minister says that he can prove that the assistance in the 1990–91 crop year was equivalent to GRIP, I do not think he can persuade many farmers of that. If you look at the government's own data book on farm incomes and financial conditions, you will see that during 1990, government support programs dropped by some $1.275 billion. Of course, this spring we have seen the dramatic drop in the price of corn and other crops which carries over into that crop year.

I think it is generally felt by the farming community that of the emergency cash assistance which they had expected and hoped would be paid this spring, only a reasonably small portion of that, some $300 million, will be forthcoming through the NISA program. I am interested to know, since the press reports indicate that the minister has taken the issue to cabinet and is being supported by the hon. member from Regina, the hon. member from southern Saskatchewan and the rural caucus, how much progress he is making with regard to getting emergency financial assistance and whether that can be put in the hands of farmers in the very near future? That is really the basic issue of this debate, not

whether it is a matter of confidence in the government or not. That issue is a really difficult one.

The question is, can we get new emergency funds to cover the shortfall, transitional funds for last year's crop, and can we get it to the farmers before many more of them go down the drain in their payments for their crops, supplies and taxes this fall?

Mr. Mayer: Madam Speaker, the hon. member is right. I think the concern we have and all of us have is over the immediate financial situation out there. Somebody used numbers here showing that the average farm family net income for living expenses is something like $6,300. So that is obviously something that is going to cause and is causing some pretty significant difficulty right now, let alone what is going to happen as winter months get closer to us.

With regard to what we can do, the member knows that I cannot stand in the House here and talk about what in fact is likely to happen. We are aware of the problem. We are going to do, as I have been saying, the very best we can to address the problem. In the meantime, we have been encouraging some of the provinces and I would hope that the NDP here would be talking to their provincial counterparts in Ontario to put up the extra 1 per cent on NISA. We know that in terms of the overall amount of money that they need, it is not going to solve all their problems, but an additional 1 per cent by the provinces on NISA would trigger an additional .5 per cent by the federal government which would mean 5 per cent. Without getting into the technicalities of it, it would mean 5 per cent of your eligible income as opposed to 3.5. That would help. I think there are some other things we can do, but in the meantime we understand the problem quite well. Given the fact that it is a very difficult fiscal situation that the government finds itself in, and we all understand that, we are going to do the very best we can to address the problem.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Madam Speaker, I just want to comment and ask a question of the minister.

He has given us a very reasoned approach and a very clear definition of the reason why we are in this situation. But that very reasonable approach has indicated that there is a shortage in income and he has accepted the fact that there is a shortage as far as income for farmers is concerned. The statement in the motion is correct.

By his very reasonable approach, he has told us rather indirectly that the government is unwilling to make the kind of commitment to Canadian farmers that the U.S. government and the EC are making to theirs. I guess the farmers in Canada are not expecting that kind of commitment, but they are expecting a commitment which would allow them to survive. That kind of a commitment would be very much less than the EC or the U.S. commitment.

I recognize also that the funds taken from GRIP and NISA for the 1991–92 crop are borrowing from the future. I recognize that money is being put forward that is new money, I suppose, to the farmers but the real problem is still last year's crop, where the billion dollar shortage is not being made up. Even if you take it from next year's crop, you have not solved the problem.

I guess what I am asking is: is the government at least studying the need for more money without taking it out of the 1991–92 crop income?

Mr. Mayer: Madam Speaker, just to comment on what the member said about not expecting us to do what the European Community does, I should give you a number.

It is estimated that this year the European Community is going to spend $42.5 billion on its common agriculture policy. That is more than our deficit—$42.5 billion the Europeans are going to spend on their common agriculture. That does not include some of the countries specific subsidies and some of the other things that go on. That is the kind of league that we are in.

Just to respond in the same fashion as I did to the member for Algoma, we understand the problem. It is there. You do not have to be a rocket scientist to figure out that a family cannot live on an average income of $6,300. You cannot live on an income of 20 years ago with today's expenses.

We have looked at all the numbers and as I have said, we are going to do the very best we can to address the problem so that our farmers can stay in business until we get to some better international prices, which I believe we have a very good opportunity of seeing before spring comes.

Madam Deputy Speaker: The period for questions and comments is over. We will resume debate. The hon. member for Essex—Windsor will be speaking for 10 minutes, which will be followed by a five minute period of question and comments.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, I think it is especially useful, perhaps, to follow up the minister who has made some reference to the province of Ontario and the Government of Ontario's policy toward farmers. I think it is often forgotten that the very difficult situation facing farmers throughout this country is not confined to western Canada. In fact, the Ontario Federation of Agriculture this past summer declared what it called a state of emergency in Ontario agriculture.

• (1200)

It appeared before the agriculture committee along with the Ontario Corn Producers Association, the Ontario Soybean Growers Marketing Board, and the Ontario Wheat Producers Marketing Board, all of the major agricultural groups in the province of Ontario and commodity groups affected in the province of Ontario. They presented an agreed-to statement that put things in very tough terms. They said the income situation for thousands of Ontario grain and oilseed producers is desperate. They said that statutory programs and interim measures announced on April 18 do not come close to providing "a transition from income levels attained during the pre GRIP-NISA period based on those expected with GRIP-NISA in future years for Ontario grain and oilseed farmers".

They go on to say that without immediate government action, thousands of Ontario family farms will simply not survive through 1991 to realize the promise of improved safety net programs. They will enter 1992 in such a weakened condition financially that no safety net program will be able to prevent their ultimate demise.

I know that the minister has had discussions with the president of the Ontario Federation of Agriculture, Roger George. I know that the president of the OFA has reported that the minister has taken a very hard line toward some of his cabinet colleagues, that the minister has said there has to be action with respect to what is taking place in the province of Ontario. I had very much hoped that this week the minister and the Minister of Agriculture would have had something to say to farmers across the province of Ontario to give them some hope as we head into the winter because what we face is, as they have said, a desperate situation.

They have suggested various things that need to be done so that Ontario farmers are treated the same way as western farmers. They have suggested for instance that there needs to be a top-up of ASA support prices to the 95 per cent level. There needs to be interim payments issued on 1990-91 crop sales, as was done in early spring under the Western Grain Stabilization Act program. The estimated cost of that is $36 billion.

They suggested that there has to be an incremental increase in the initial payment for 1991-92 Ontario wheat sales with an estimated benefit to Ontario farmers of something in excess of $4.5 million.

These kinds of points are what they have stressed to the agriculture committee. They have also made requests to the Ontario government. They have made requests for an immediate interim payment under the Ontario Grain Stabilization Program, for the waiver of the one-third producer premium deduction with the Ontario program. They have also asked, if the federal government increases its ASA payments to the 95 per cent level, that the Ontario government agree to maintain its payments at the present level, which had been promised.

The minister suggested that the province of Ontario needs to take action. I want to tell the minister that this is a message which has gone to the Ontario government from members of all political parties, including myself. We have said to the Ontario government that this is not action that should just be the responsibility of the federal government.

The other side of that point is that this is not a desperate situation which can be dealt with only by the Ontario government. The federal government must provide part of the assistance to Ontario farmers.

That is the general situation in the province of Ontario. There is a special situation in my area. We face in southwestern Ontario, especially in Essex County, but also in Kent County, parts of Lambton County and parts of Elgin County, severe drought conditions this year. These drought conditions reflect the lowest levels of rainfall ever recorded in Essex County, for instance, in the month of July and just about the lowest levels that

have ever been recorded in the month of June. I think there was one year that was lower in the 1940s.

Farmers have been devastated, not just by the conditions that have hit prices, which are also hitting western Canadian farmers and farmers elsewhere in Ontario, but they have been devastated by the fact that the yields which they expected to receive have been a minuscule proportion of their hopes.

This is the fourth year in a row in which they have received very serious weather problems. As a result, for many of them their crop insurance has faced penalties which has reduced crop insurance protection to a 70 per cent level.

With the low prices which exist and the fact that crop insurance, even where it is held by farmers, is only going to give them 70 per cent of those low prices, it is easy to see that farmers in Essex County and elsewhere in southwestern Ontario face the very real possibility of being wiped out this winter.

I have written to the Minister of Agriculture about this. The minister replied to me in a letter which reached me yesterday. His letter unfortunately concluded, after a good deal of discussion of the potential benefit of crop insurance, not recognizing that people have been hit so hard in recent years by these weather problems reducing their crop insurance protection, that: "At the present time I do not believe that further federal action is warranted".

That is an attitude which does not respond to the very critical situation in southwestern Ontario.

• (1210)

I appeal to this government to make such a response as the Ontario government will be doing. Please make such a response. The minister agreed yesterday—if I could just finish the last sentence, Madam Speaker—to meet with farm groups from Essex County. I think that is an important step. I urge him and this government to listen seriously and to respond urgently to that severe drought crisis which has hurt so many people.

Mr. Lyle Vanclief (Prince Edward—Hastings): Madam Speaker, I asked a question of the previous speaker's colleague a few minutes ago concerning the Ontario government contribution.

It is my understanding that if the Ontario government was to support the NISA program that is available to it—the offer is still there from the federal government—with the contribution of another 1 per cent, that would trigger another half of one per cent contribution by the federal government. That would very quickly put some $24 million into the hands of Ontario producers.

I know we are all in this together. The federal government, the provincial governments, we from all parties and the industries are all in this together. Why can the member not convince his colleagues in the Ontario government that it would be a good investment in this important industry and his farmers in the Essex area? Why will they not do that? It boggles my mind that that small investment is not seen as a good investment by the Ontario government.

Mr. Langdon: Madam Speaker, I would not want to get partisan in what should be a non-partisan debate.

The same problems in convincing provincial governments that NISA is something which is worth the extra payments have been experienced in trying to persuade the Prince Edward Island Liberal government, the New Brunswick Liberal government and the Quebec Liberal government to participate completely in the program.

I would say from my discussions with the minister's office—I am meeting the minister on Saturday—that the Ontario government's concern is to see to it that the greatest possible increase in cash flow can be generated by the province of Ontario in response to the problems of the past crop year. It is not convinced that NISA is necessarily the best way to do that.

It is reviewing a number of different options. The federal government has tried to persuade it that an investment in NISA is the best approach. Frankly, the Ontario Federation of Agriculture has suggested that the Ontario government should look at NISA, but there are some other things that it should look at which might be of more use.

The National Farmers' Union has suggested some points that might be of more use. All of the points are being looked at and I expect an announcement very soon. I expect an announcement particularly with respect to the drought situation as it exists in southwestern Ontario.

However, I make the point again which I made earlier. This is such a serious and severe situation in southwestern Ontario that it cannot be the responsibility of a provincial government alone.

It must be the responsibility of both provincial and federal governments. At this stage the federal government, witness the recent letter of September 18 from the Minister of Agriculture, does not seem prepared to move.

Madam Deputy Speaker: The five-minute question and answer period has expired and we will resume debate for 10 minutes.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Madam Speaker, after listening to the minister's remarks, I think there is something that must be clarified for the people who are watching this debate today.

The minister made a comment in his speech that the government cannot vote for this motion because it considers it to be a motion of non-confidence. I think it is important to review some of the history and some of the detail for people watching this debate today.

The motion before us now is almost verbatim a motion that was passed unanimously by the Standing Committee on Agriculture at the end of August. That meeting came about as an emergency debate on the agricultural situation. At that time we had representatives from most of the farm groups across the country calling upon this government to take some action with respect to the third line of defence.

In that spirit, and after listening to the various groups, there was a unanimous vote by the members of the standing committee. The standing committee, as you will know Madam Speaker, is made up of all three parties. As a matter of fact, the majority of the committee are Conservatives. They saw fit to vote for that motion.

I am surprised that the minister stood in his place and said that the member for Mackenzie is trying to play petty politics. That is absolute nonsense. That is hogwash. The fact is it is the minister who is playing the politics here. We came to this House with this motion in a sense of fair play and openness, hoping to highlight the problems that are being felt in agriculture and looking for support from the government, particularly when its own members on the standing committee had voted for this motion.

When the minister rises in his place and says it is politics on our part, that is hogwash. That is nonsense, and it is simply not the case.

The McGrath report was a report by a committee of the House of Commons dealing with parliamentary reform which made its report in 1985. I would like to refer to page 106 of the McGrath report, paragraphs 40 and 41 where it says:

> In keeping with the desire to make the House more relevant to Members and to the public, your Committee believes that matters of confidence in the government should at all times be clearly subject to political determination. Motions of no-confidence should not be prescribed in the rules but should be explicitly so worded in the text of the motion itself by the Member presenting such a motion.

Paragraph 41 goes on to state:

> Your Committee notes that the Standing Orders, as presently worded, declare to be 'no-confidence' those votable motions which are moved by the Opposition on allotted days.

Today is an allotted day, Madam Speaker.

> We repeat that a question of confidence should be expressed in precise terms in the motion, and not prescribed as such by the Standing Orders. Previous Speakers have indicated that determination of what is, or is not, a question of confidence is not a matter for interpretation the Chair. We agree that this expression ought not to be used in the Standing Orders to predetermine the nature of a motion.

In other words, prior to 1985 it was stated in the Standing Orders that on any allotted days—and this is considered an allotted day—a motion put forth by the opposition would be considered a vote of non-confidence. Therefore if the government voted for the motion the government would presumably fall.

The whole McGrath report was not adopted by the House. However, portions of it in essence were in that in 1985 the Standing Orders were amended by removing the no confidence reference. That was removed in 1985. There is no mention of no confidence in the Standing Orders with reference to allotted days. The fact is that the determination of whether or not a motion is a matter of confidence or non-confidence lies with the government. It is not in the rules. It lies with the government. It is the minister of grains and oilseeds who has chosen, on behalf of his government, to make this a non-confidence motion. No one else, certainly on this side of the House, believes it to be a non-confidence motion. For the minister to stand up and say that he is required or that it

is history to do such a thing, is nonsense, is not correct and the people of Canada should be aware of that.

• (1220)

I am really surprised that the government would take the position it has on this particular issue. It is certainly my hope that the government will see its way clear to decide that this motion is not a matter of non-confidence. It is in the best interests of agriculture across this country to do so.

It is not the New Democratic Party playing politics, it is this government that is playing politics and the minister playing politics, and he knows it.

I do appreciate some of the comments. In fact given some of the comments the minister made, I am surprised at the attitude he has taken. I appreciate the fact that he indicated that the farm communities across this country are in a terrible situation, that in fact the infrastructure is disappearing and if something does not happen very soon, the dealers in fertilizers, chemicals, fuel and so on are going to disappear and we will lose an infrastructure that will be very difficult, if not impossible to replace.

There has been a tremendous amount of interest in the recent past by academics and others in finding ways to save rural Canada with respect to not only agriculture but also to fishing and forestry and so on.

It is essential that we maintain a viable economic base and viable farm families in rural areas where agriculture is an important industry. I appreciate the minister's remarks in acknowledging that. That is important. It is a first step.

With respect to other comments made by the minister, it is true that Europe has caused Canada a lot of grief with its programs. I am surprised that the minister did not go on to mention the United States, which is also causing problems, particularly with its export enhancement program. The United States has been moving into this area, which really has not been an area where the Europeans are dealing. Their export enhancement program provides a subsidy on grain sales which makes it very difficult for the Canadian Wheat Board and others to sell grain from this country. The express purpose of the export enhancement program, as indicated by the Americans some time ago was to compete with the Europeans.

It is very clear now that the use of the export enhancement program has expanded to countries where the Europeans are really not a major competitor. In fact, it is where Canada is a competitor and where the EEP has hurt us directly.

The other factor is that under the free trade agreement, I believe it is Article 701.4—I stand to be corrected on that, but I believe it is the correct article—in agriculture, neither country shall interfere with respect to subsidies, in the markets of the other party. The United States has clearly done that and there are many examples where the United States has moved into countries that have been traditionally Canadian markets, have implemented the export enhancement program and have cost Canadian farmers sales.

There is a remedy under GATT which we have to pursue, but there is also a remedy under the free trade agreement. I am surprised that the minister and this government are not taking stronger action with respect to the lack of compliance by the Americans with the free trade agreement, their lack of respect for the free trade agreement and their lack of respect for Canadian agriculture. I wish the minister had expanded on that.

I believe I only have a minute or two left.

I would just like to close by saying this and reiterating my opening remarks. I am disappointed in the comments of the minister with respect to calling this a matter of non-confidence. I do hope that members of the agriculture committee on the other side of the House will be making positive comments with respect to this matter. I really wish and really hope in the spirit of openness and fair play that the minister will please retract his remarks and make it clear that the government does not consider this a vote of non-confidence because no one else does.

The fact is that if there was a vote today and the government voted for it, there is no way the Governor General is going to call an election. The minister knows that. The minister should make some comments with respect to that and let Canadian agriculture know that the government is going to vote for this motion in the spirit of co-operation in this House.

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I wish to comment on the remarks the hon. member made as far as procedure is concerned. If the NDP wants to make this a non-partisan issue, then I suggest they do one of two things. First,

make it a non-votable motion, and we speak the way we have been speaking. Every one knows the concern and I suspect I know it better than the hon. member because I farm and he does not. If the NDP want to be really serious about making it non-partisan, do not make it a votable motion.

Second, if the NDP wants it as a votable motion, it should not try to be cute and hide the fact that this is essentially a vote on the budget and as such is a confidence motion. If the NDP wants to do that, fine, but do not get up and grandstand in the meantime when it has done some things to be very cute at a time when we do not need to be cute in this place. We need to do everything we can to support Canadian farmers who need our support.

Mr. Laporte: Mr. Speaker, I do not appreciate being called cute, but I think the fact is that it is very clear, and the minister knows, that this does not have to be a vote of non-confidence. This is a motion that was a result of an emergency meeting of the Standing Committee of Agriculture, whereby most of the farm groups in the country appeared before the committee or had representation in front of the committee and called on it to take some action. They were expressing their concern over the lack of response on a third line of defence and over the desperate straits that many people in agriculture right across this country are in.

As a result of that debate, there was an all-party committee that unanimously endorsed the motion that is before us. We have brought this into the House today to further acknowledge the problems that exist in agriculture and in the spirit of non-partisanship brought it forth. Our motion states that it is not a vote of confidence. The minister knows that.

I am beside myself to understand why the minister is the one that is being cute. He is the one who is playing petty politics. I do not know why he is doing it. It certainly does not help Canadian agriculture.

Mr. Jack Shields (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, perhaps I can enlighten my friend across the way. When a House of Commons standing committee makes a motion and presents it to the government, it has nothing to do with confidence. It is the position of the House of Commons standing committee and it was unanimously done and presented. The government took the motion into consideration.

What the NDP has done on an opposition day—that is what it says, opposition day—is made a votable motion and taken the motion from the House of Commons standing committee but added to it:

> That, in the spirit of House of Commons reform and in recognition of the clear and urgent need, the House does not consider this to be a question of confidence in the government.

It stated this knowing full well that the motion itself refers to the budget. The committee can comment on and put it forward to the House and no confidence is involved. That member should know that this is a confidence motion.

If the NDP wants to make it a votable motion and remove the bottom part of it, make it a votable motion. Then we know it is a non-confidence motion and it is done with. If you really want to make it a non-partisan issue, as it was done in the House of Commons standing committee and brought forward to this House, remove the bottom portion and make it—the member is not listening, obviously he does not want to listen. I am suggesting that if you want to make the motion non-partisan in this House, remove that sentence at the bottom and make it non-votable. Then we can all stand and address this very serious problem plaguing the agriculture industry right across this country and get on with the work, instead of becoming partisan the way we are doing today.

• (1230)

The Acting Speaker (Mr. Van De Walle): I regret the time for questions and comments has elapsed. Very well, a very short comment.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I am amazed. This is a party that talks about open government and more reform and they are the ones who are stalling it.

I am sure that the people in western Canada will be pleased to see this debate where this government is refusing to allow a vote in a situation where it is clearly allowable. The member can keep playing politics all he wants but the people of Canada see clearly what they are doing. This is a time to move to a more open government. The New Democratic Party believes in that and I wish the member would as well.

Mr. Angus: On a point of order. Very briefly, Mr. Speaker, in order to assist the hon. member, if he wishes that sentence out of the motion he can move an amendment.

The Acting Speaker (Mr. Van De Walle): We will move on to debate. The member for Perth—Wellington—Waterloo.

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, I am very pleased to stand and discuss this topic today because it was generated from my standing committee.

The motion before us is essentially the same, with that little add-on that seems to be picking up most of the emotional debate today, whether it is a matter of confidence of not. It places me in a difficult position. If it is a confidence motion, do I vote for the motion and, therefore, vote against my government? That is difficult. But I am thinking it is almost as difficult as the problem the member for Mackenzie had, and the member for Algoma, both of whom spoke earlier, when for the last nine days they supported a strike by the Public Service Alliance that was crippling the ability to ship grain and was costing the farm community some $36 million a year.

So it is one of the conundrums all of us have, particularly in my committee, which is so concerned about the farm industry. We speak to these people on a regular basis, an every day basis in our ridings. We held a special meeting—not an emergency meeting per se, but a special meeting—in August and listened to all the farm groups.

The member for Mackenzie in his introduction has very fairly stated a good part of the genesis of the problem we have in Canada at the present moment. I would like to go a little further with the genesis, however, because it goes back into the seventies when people in the farm business, and indeed they are in business, were encouraged to get bigger. Basically, several factors did this; governments did this, farm communities did this, circumstance did this.

In the seventies and the early eighties, I guess mainly in the seventies, farm land prices were increasing, often at the rate of something like 22 per cent a year, so farmers had to buy more farm land. They borrowed money because farm profits were very high. The bankers basically said to the farmers; well, don't borrow just the $25,000 that you need now, borrow $50,000 and do it right and do it bigger".

The whole psychology—government, bankers and farmers—led the farm community into a very high debt situation. Our study last year shows that there is about $5 billion in non-serviceable debt, and many of the farm leaders—at least one significant farm leader at the moment—is saying that that is one of the major problems that has to be overcome in the farm community, to get rid of that debt. Somehow that debt has to be eaten by somebody like it was in the States—although we do not want the trauma that went with that down in the States. How that will occur I don't particularly know.

Part of the reason for the large debt increase in the seventies was the fact that we changed policy; we allowed the banks to get into lending money as well. Prior to that point they could not lend long-term money to buy land.

We know as well that farmers vary in efficiency. There are larger differences in what the same two farmers, farming the same type of land side by side can produce on their land. We know that there are people out there hurting more than others because their efficiency is not as great as others but, indeed, we also know at the moment, like the member said, that even many of our very best farmers are now having problems.

We are into a circumstance in Canada where it is difficult psychologically for the farmers because all around the problems are there, not just grains and oilseeds which we heard about this morning and I would like to talk about a little more later, but the pork industry right now is having very low prices. The situation in Ontario, for instance, where shipping 75,000 hogs a week would normally mean a peak in prices, but the prices coming to the farmers are quite low.

In Canada, we often trigger the Canadian price by what we can export to the United States. However, for reasons I do not totally understand, prices in the United States are low as well. Perhaps it is because of things that are happening in North Carolina, for example. When pork farmers from my riding of Perth—Wellington—Waterloo, but primarily from the county of Perth, went down to the Carolinas, they visited a farm called Murphy Farms. That one farm has 80,000 sows in production at the present time. They plan to expand their operation

from 80,000 to 100,000 sows this year, and I am told it will be from current profits with no further financing. Now you can imagine the efficiencies of this. They would have their own feed contracts. If they do not have their own mills they can deal with the feed dealers on a very big basis. They can construct their barns in a manner that is cheaper than ours because of weather. It is something like $600 a sow.

I suggested to our farmers that if we had the same size and the same efficiency the price in Canada, and in Ontario particularly, could be brought down below the $2,200 we pay now per sow to perhaps $1,800 or $1,700. But you can still see the great advantage that those producers have and the great expansion that is going on.

So the pork farmers, sitting beside the grain farmer or perhaps also a grain farmer, is also depressed. Even dairy, with its supply management, is suffering from a reduction in quotas. There is not enough consumption taking place so that they can ship the full amount that they can produce. They are also concerned with GATT, the concern we addressed yesterday, that was reasonably dispelled as far as an agreement at the moment between Europe and the United States on tariffication, but the thought that that may occur, the ice cream and yoghurt and, of course, there is steady competition. The dairy industry competes very strongly with itself in its cost to production formula. So they are not very high psychologically right now.

The egg producers have problems within their group with surplus removal. Their boiler quotas are having difficulty in adjustment across Canada. The horticultural area is not good. There are so many segments in horticulture it is hard to pick them up and to measure them totally, but we know about the apples and their need to go into a controlled production, but that industry as well is depressed.

In the the middle of all of this farm unhappiness comes the grains and oilseed producers. They have been exposed to poor prices for something like seven years, based on the problems around the world or, at one time, it was drought in our own country. We have kept giving them support each year hoping that next year would be better, but the next year did not turn out to be better. Last year the big disappointment was when the GATT agreement did not take place. We were there and saw the European farmers, and sadly I must say even some Canadian farmers, over there demonstrating against any agreement by the European Community. But we did not get that agreement and that certainly hurt the farmers psychologically.

Now we are topped with this very difficult cash flow problem for the 1990 crop year.

The increasing production by countries like China and India so they are not buying as much grain from us are other pressures that the grain farmers have had. Indeed, we are going to see the same thing now from the Warsaw Pact people, the Iron Curtain countries, as that institution breaks down. It is interesting to know that our technology in fact probably helped China and India to increase their production. As our western technology creeps into the Iron Curtain countries, as well as modern equipment, communication and roads, will mean that they will produce for their own market what we have been supplying for quite a while. Indeed, I suspect they are going to produce for some of the world market that we have been supplying.

• (1240)

We heard the problems of no new machinery on the farms. The fact that if we get a better income for the grain sector, it is going to take a lot of that just to keep in business and keep some equipment there.

I must say our grain farmers, like all Canadian farmers, have responded very well to the pressures. They cannot respond totally, but they have done a great job in improving their efficiency so that if prices had been low they produced more and more of the product with less and less labour.

In fact I think I saw a figure that in the European Community, because of their lack of efficiency, the fact that they do not produce grain as efficiently as we do, it takes a lot less subsidy per farmer to keep them going. Of course they have so many more farmers there that they spend a great deal more money than we do in this particular area.

I want to add to this debate a not very happy note about agriculture. It is not a happy note, but I think we are in for restructuring. I think there are going to be changes coming in the whole of agriculture, and I do not think anybody really knows what that restructuring will be. Perhaps in the pork industry we have to do something to get into a size of buying power that will compete with the people across the border. I do not know what they will be but I think we are on the edge of a restructuring

in farming. GRIP and NISA will certainly assist, but there is still only a percentage of income for their previous years and it will put a bottom on the amount of money that the farmers will receive. It will guarantee an amount of money but I am not too sure that is a solution for the very long run.

We passed the motion in the Standing Committee on Agriculture which everyone has seen. In that standing committee I asked the officials from the Department of Agriculture how much money did come to the farmers in the 1990 crop year. That is the year we are most concerned about. The farmers believe that if they do not have assistance for that crop year they will not have any money to go into subsequent years that do not promise to be very good either.

The minister has already alluded to this this morning. Since I asked that question in the committee, since the committee as a whole asked the questions of the officials, they have been trying to generate some figures. I have not questioned or edited these figures, nor have I done anything with them. I understand there has been about $1.3 billion paid out to Canadian farmers in the 1990 crop year.

The motion then does have a problem in that it asks that we as a government provide the farm community with an amount equal to what we would have given had NISA and GRIP been in full operation this year. It does not, however, take away from the problem. It does not take away from the fact that there is not the cash flow out there right now in the 1990 crop, and it does not take away from the fact that the farmers have not seen any of the benefits of the subsequent help coming to them, and it does not take away from the despair.

By the way, I am told on the same set of figures that had NISA and GRIP been in place in this particular year, the amount that would have been paid out would be $1.1 billion or about $170 million less than what has already been received for the 1990 crop year.

We have heard from the member for Essex—Windsor on the matter of equality. I want to report to the House and to the people watching that when I called the standing committee meeting on agriculture, I knew that there would be a motion coming out of that meeting similar to what resulted.

I knew that people on the government side of the committee had a motion ready and I suspect that the people on the NDP side did as well. Certainly, we did have the motion from the member for Algoma.

I knew that was going to happen and I wanted it to happen. I also called the meeting because there was a suggestion by the Ontario crop group that there was an inequality in the amount of support given across Canada.

I could not get anybody to talk about equality at that meeting. In fact, when I spoke to the chairman of the Canadian Federation of Agriculture, he simply said that it was not a thing to do.

When he would not discuss it, I knew his main point about equality was the matter of the NISA plan and the fact that Ontario was not contributing to it.

I am in another difficult position asking for more assistance for Canadian farmers, particularly the grains and oilseeds people for the 1990 crop, because of our deficit. I preach on a regular basis that we simply cannot be spending more money, borrowing it to allow our children to repay it later. They are deficits which now are demanding so much of our money and causing us to have to raise taxes as high as we have. We still have not covered all of the cost.

I have often said that there are two situations where I can agree with deficit financing: first, for capital goods or for things that generate income in the future, and second, in an emergency.

I must say that I believe that we are now in an emergency in the farming community, both on a cash flow basis and on a psychology basis.

This motion then encourages the government to assist the farmers, and I am going to support this particular motion. I know that the matter of farming is not just a matter of business. It is not just a matter of what you do day to day to earn a living.

The member for Algoma has talked about the desire of farmers to farm. He was talking about a man and wife would go all day, all night or all week to a job some place just to maintain a farm.

The farmers want the farm. We absolutely need the farms and they are in an emergency situation now. I certainly want them to have that help.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I have listened with interest to the hon. member on the debate on agriculture.

Being from the province of Prince Edward Island, which is an agricultural province, I want to make a few comments on a very difficult situation which the potato farmers are experiencing at this time.

They are experiencing this because of what Agriculture Canada diagnosed as the PVY-N virus. It now appears that Agriculture Canada may have misdiagnosed it, maybe it was not the PVY-N virus. However, this has created a lot of problems within the province.

Many of the potato farmers have ploughed under their crops. They did this on the diagnosis of Agriculture Canada and because they were instructed to do so by Agriculture Canada.

• (1250)

Many of the potato producers have lost their markets simply because Agriculture Canada told the United States that we have the PVY-N virus. The reputation of the Prince Edward Island potato industry has been destroyed. It faces a major crisis.

I know my time is limited for these comments but I just wanted to ask the hon. member of the government a question. How would he feel if he was a Prince Edward Island potato farmer and he ploughed under 200 acres of potatoes because he was told by Agriculture Canada that his potatoes had the PVY-N virus and that he had to plough them under? How would he feel if he found out now that the tests are in question?

Mr. Brightwell: That is not a difficult question to answer. If I were that farmer I would feel very, very badly. I would feel outraged, I would feel misused. However, the member has raised the question and it is certainly just a question at the moment. I am told through sources that it may not be, that in fact it is probably not true that there was a mistake in the testing.

I have had long-term experience in agricultural testing in Canada, usually in the animal health field, and I have developed a great deal of faith in our scientists. In fact, I still have that faith. I am sure if there is an error in this particular situation, and I say only if there is, there will be a fair solution for this other branch of horticulture, one that I really should have mentioned because it is brought up quite frequently in the standing committee discussions. In fact, there is a proposal at the moment that we consider the testing process for this particular virus.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, in my brief comment I would like to thank the hon. member for assisting the committee, as he always does as our chair. He has taken a very courageous position both in bending the rules slightly to have us use the procedure we used in the committee and to permit it to be presented in that form here today. If we could have more members like the hon. member for Perth—Wellington—Waterloo in this House, it would eventually reflect the true need and requirements of Canadians and make this House a much more functional place. I congratulate him and thank him for the actions he has taken, both in the committee and today in this House.

Mr. Brightwell: Mr. Speaker, I appreciate the comments, but I must say that I was surprised to hear that I had bent the rules in committee. The member for Mackenzie is much more experienced than I and apparently he let me bend those rules without telling me at that particular time. However, he is telling me now. In fact, I have great faith in every member in this House. They are genuinely concerned about the people of Canada and particularly with the farmers of Canada. We are in a position now where all of us have experienced situations where we had to go along partisan lines and indeed it created some difficulty for us. So, I thank the member for his comments.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I wanted to put a question to the previous speaker concerning the possibility of restructuring which he had mentioned. I think he is right, and I do not think there is anybody in this House, perhaps anywhere in this country, who knows exactly what the restructuring will be like, what form it will take.

It may depend, for example when it comes to grains and oilseeds, on the success or lack of same at the current GATT negotiations. One of my concerns is that even if restructuring does come, who is going to be left? Who is going to be around when it takes place? Farmers are just going through an absolutely dreadful period, an absolutely dreadful time. It seems to me that with or

without restructuring we have to support the farmers until that happens, whenever that happens.

I would like to know whether the hon. member shares that point of view?

Mr. Brightwell: Mr. Speaker, it a question that should not have to be asked, but I am delighted to answer it. Certainly, we have to support the farming communities. My riding is one of the great farm ridings in Ontario and, I am sure, in Canada. I am totally on their side. We have to help them through.

On the other hand, the restructuring that is going to take place is going to be farmer driven. They are the people who know the demands and will find the solutions. They helped in creating the GRIP and NISA programs which are coming in next year. Those programs are going to be a major part of keeping the farmers in place until something else happens in in the world and in Canada.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, just a couple of comments to the hon. member for Perth—Wellington—Waterloo. I just want to first of all thank him for the efforts of him and the agriculture committee staff to get the meeting together in August. It was one that was badly needed. I hope before we are through this crisis it will prove to have been more effective than it has to date. That is certainly no fault of the committee itself. I think the committee did what needed to be done and we did it quite well. It is just getting the follow-up.

Furthermore, the minister of grains and oilseeds made it very clear this morning that he understands the problem and that is of some comfort to us. However, what the minister did not address was what he is going to do about it, other than talk to the people in the European Economic Community. He did refer briefly to the United States and I think he should have referred to the Americans more. They are no angels on this issue with their export enhancement program.

I will ask the member for Perth—Wellington—Waterloo what he feels is going to be done. He certainly disappointed me when CBO-FM Radio reported on September 14 of this year that: "Ontario Tory MP, Harry Brightwell says an interim farm aid package from Ottawa would not include special relief for Ontario farmers". It went on to say that the support would come from Ontario.

As a member of this House and as a member from Ontario, in particular, I was hoping that he would go to bat a little bit more for Ontario farmers than is evident from this quote. I would just ask the member if he would care to comment on that.

Mr. Brightwell: Mr. Speaker, I am trying to recall the two particular instances where I was misquoted on the radio and in the press. In my experience, if we let everyone mention misquotes, we would have a few hundred. This is twice on the same issue in the same week, both from the same area. The situation with the newspaper arose when a reporter called up and asked if there was going to be a special package of assistance for the drought damage in southwestern Ontario. He said as well that there would be a package of assistance for western grain farmers. I said: "No way. It would be for all grain farmers if there was such a thing". By the way, the rumour of such an announcement was coming from a member of Parliament on the member's side of the House. He started the particular rumour.

I told him if it were true, it would be for everybody including Ontario farmers but would not be especially directed at the drought area. I do not know how they chose to quote me but that is the background of it.

The Acting Speaker (Mr. Van de Walle): It being one o'clock p.m., I now leave the chair until two o'clock p.m.

The House took recess at one o'clock.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

SYDNEY-TRURO LINE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Canadian National has announced its intention to sell the rail line that presently runs from Sydney to Truro, Nova Scotia, to the private sector. The sale of this line will have a very damaging effect on the maritime region. CN says that the private sector will keep this line going.

However, we heard this a few years ago when Canadian National decided to sell its trucking firm, CN Route, which became known as Route Canada, to the private sector. The sale was approved by this government

and shortly thereafter, 15 months, the new owners filed for bankruptcy and laid off 2,000 workers.

Now CN wants to privatize a line which it admits is profitable and provides much needed employment in Nova Scotia. Not only is it profitable, but CN is not marketing the line and is in fact discouraging business to make the bottom line look as bad as possible.

I would urge this government to do the right thing for eastern Nova Scotia and Canada and stop the wholesale dismantling of our rail system. I would ask the government to stop the privatization of the Sydney–Truro line.

* * *

EAST TIMOR

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, sometimes we wonder where the Secretary of State for External Affairs' head is at when she answers questions about foreign policy. Many Canadians were astonished at how blasé she was about the coup in the Soviet Union.

Anybody who knows anything about East Timor would have been equally astonished yesterday when she said that there was no history of independence or self-determination or self-government in that territory and that the Government of Canada regarded the Indonesian occupation of East Timor as a fact that it could not do anything about. The fact of the matter is that East Timor was a territory with its own integrity. Just because it was a Portuguese colony does not mean that it had no history of independence.

If Canada is prepared to send Canadian troops to participate in the liberation of Kuwait, why is the minister not even prepared to adopt a policy of non-recognition such as we adopted with respect to the Baltics? Why this incredible ignorance and neglect when it comes to this small South Pacific territory which is desperately in need of global attention?

* * *

WOLVERINE TUBE

Mr. Stan Wilbee (Delta): Mr. Speaker, yesterday the hon. member for New Westminster made a very accurate statement regarding the corporate irresponsibility of the Wolverine Tube Company which is shutting down a tube mill in my riding of Delta, British Columbia, throwing 160 people out of work when there is absolutely no reason to do so.

This company has produced substandard tubing in the B.C. mill, and now it has been found that 55 per cent of 82 tubes produced in the London, Ontario mill failed to meet the minimum standards, 40 per cent just met the minimum standards, and only 5 per cent exceeded the minimum standards.

With such shoddy practices the government should make in-plant independent testing mandatory. Likewise, all tubing imported into Canada must conform to the national standards in order to protect Canadian consumers from such irresponsible manufacturers.

* * *

DE HAVILLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, the situation at de Havilland calls for greater hands-on participation by the federal government. This government has never recognized how important a role government plays in the success story of aerospace in other countries.

With no plan but to get rid of what it perceived as a liability, the government sold out to Boeing. Boeing tried, but it has not been able to profit from the deal. As Boeing leaves, the government should be certain that all de Havilland's intellectual property, including augmenter wing technology patents, be not taken home by Boeing.

As to possible purchasers, our government needs to be certain that the Canadian public interest and our future in aerospace is at least as well protected as the interests of Italy and France whose taxpayers are backing the bidders.

The Ontario government seems the only party willing to ante up as a shareholder. Public ownership lies in the face of this government's philosophy, but surely the record of the Mulroney government disasters shows the shortcomings of its philosophy.

As to the plant, it needs to be recognized that there is no such thing as guaranteed—

[*Translation*]

LEADER OF THE BLOC QUÉBÉCOIS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I am surprised at Lucien Bouchard, the Leader of the Bloc Quebecois, and his attitude to the strike by PSAC members.

I wonder why he voted against the Public Sector Compensation Act? According to an article published in the Chicoutimi *Le Quotidien* on May 23 this year, the great defender of the interests of Quebecers received, in addition to his usual legal fees, more than $250,000 from the Quebec government to impose a 20 per cent wage cut on teachers, nurses and all social sector employees, when he represented the employer for the PQ government in 1982-83.

Mr. Speaker, the government is taking a very serious approach to the deficit and government spending. This public sector wage restraint program is part of our economic recovery plan, and it also applies to ministers, senators and members of this House.

So far, six provinces have followed our lead by introducing a wage freeze in the provincial public section.

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[*English*]

CANADA HEALTH ACT

Mr. Jim Karpoff (Surrey North): Mr. Speaker, the provincial ministers of health and the federal minister of health at their meeting in Winnipeg reaffirmed their commitment to a partnership among federal, provincial and territorial governments for a universal health care system.

They have called upon the federal government to ensure stable future funding and to uphold national standards as set out in the Canada Health Act. This act specifically prohibits user fees.

However, the two provinces that did not attend the conference, Quebec and British Columbia, are the two provinces which are promoting user fees.

I call upon the minister of health to inform Quebec that he will proceed immediately under the Canada Health Act to penalize Quebec for Bill 120 which imposes user fees in emergency wards.

He should also inform the premier of the province of British Columbia who has been advocating user fees that he will not accept user fees in that province.

All Canadians, regardless of where they live, must be assured of universal, accessible health care.

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[*Translation*]

MONT TREMBLANT SKI RESORT

Mr. Jacques Vien (Laurentides): Mr. Speaker, on September 11, I attended a special evening to mark the purchase of the Mont Tremblant ski resort by Intrawest, a group from Vancouver.

This group is a major Canadian resort developer and also operates the Blackcomb ski resort in British Columbia. The purchase represents an investment of several million dollars, which will stimulate the economy of the region and consolidate the local market.

I would like to point out to the House that Intrawest, by focussing on the Laurentian area, made a very substantial investment. The Laurentians are a vacation paradise, and our region is attractive to entrepreneurs looking for a good business investment because of its potential for growth and development. Intrawest's investment is a case in point.

* * *

[*English*]

MICOT

Mr. Peter L. McCreath (South Shore): Mr. Speaker, in the press today there were three reports concerning Mr. Glen Kealey's Micot project in Hull.

Looking at a translation of one news item by Telemedia reporters, Yves Bellavance and Carole-Marie Allard, I read that according to testimony and correspondence of ex-employees of Mr. Kealey, Mr. Kealey ordered the falsification—I repeat, falsification—of his company's accounting books.

It would appear that in order to avoid embarrassing explanations about the company's performance in the project presumably by his associates and investors, Mr. Kealey ordered the falsification of his accounting books.

A similar report in the *Journal de Montreal* states that small investors in the Micot project lost more than $160,000.

One can only wonder if Mr. Kealey's cries of injustice are merely an attempt to deflect attention from his own failures.

* * *

GOODS AND SERVICES TAX

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the GST has become an economic disaster for Canada and for Prince Edward Island in particular. All areas of the economy are suffering, particularly the tourism industry.

• (1410)

When our American friends come to Prince Edward Island and sit in a restaurant and order a meal, GST is added. This leaves a bad taste in their mouths.

Canadians used to visit the United States for a vacation, not to outfit their children for school. Recently, the director of the Maine State Publicity Bureau said he was very sorry that Canadians could not be patriotic and support their own businesses, but one can only be patriotic so long. It is unfortunate that the economic policies of this government are hurting the Canadian people so much.

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[*Translation*]

MINING INDUSTRY

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, to maintain consistent production values and ensure the renewal of mineral reserves, mainly in the precious metals sector, Quebec must do a certain amount of off-site exploration costing from 250 to 300 million dollars a year, with 80 per cent in Abitibi—Témiscamingue.

In 1990, only $145 million worth of off-site exploration was carried out in Quebec. In 1991 things seem to be even worse. For several months, the *Association des prospecteurs du Québec* has been trying to find new sources of financing but the response from Ottawa has been negative. According to Mr. Jean Rainville, the problem seems to be with the Department of Energy, Mines and Resources, where the oil industry appears to come first and the mining and exploration sector in Quebec is no longer a priority.

* * *

[*English*]

TOURISM

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, the Canadian tourist industry has just recorded its poorest summer in more than a decade. Canadians travelling to the U.S. on a regular basis continues to spiral upward, while American tourists continue to avoid Canada.

Canadian retail sale losses continue as Canadians are lured to the U.S. Same day trips to the U.S. rose to 5.9 million in July, our busiest tourist month, up almost 10 per cent for the same month in the previous year.

When will the minister of revenue offer more than a mere acknowledgement of the problem and offer instead some new initiatives to help retailers in the tourist industry regain some of the lost revenues that they have experienced, particularly now that the full impact of the GST is taking its toll on the Canadian retail sales and the Canadian tourist industry?

* * *

UKRAINE

Mr. Jim Edwards (Edmonton Southwest): Mr. Speaker, 10 days ago I had the honour of assisting our external affairs minister in opening Canada's new Consulate-General in Kiev, the capital of Ukraine.

Among the emerging democracies of Eastern Europe, none has closer ties to Canada of blood and culture than Ukraine. Today, a million Canadians proudly claim Ukrainian ancestry, among them our distinguished Governor General.

This month marks the centenary of permanent Ukrainian settlement in Canada at Edna-Star, just northeast of Edmonton. And so it is timely that as Ukraine asserts its independence, its current leader, the Chairman of the Supreme Rada, Leonid Makarovych Kravchuk, pays an official visit on Monday to Ottawa.

Chairman Kravchuk was a hardline ideological Communist until one month ago today when Ukraine proclaimed its independence. Now he proclaims himself a Ukrainian Nationalist.

Ukraine will shortly hold a referendum on independence and a presidential election. Kravchuk, the born again nationalist, might win. Whoever is chosen president, Canada should move quickly to respect the outcome of the referendum and transform that Consulate-General in Kiev to a full-fledged embassy.

* * *

KOREAN WAR VETERANS

Mr. Bob Wood (Nipissing): Mr. Speaker, on June 17 of this year it was announced that a medal would be struck to recognize and honour those Canadians who served in the Korean war.

Though this announcement was long overdue and anxiously awaited by our Korean war veterans for years, little if any action has taken place on it. Three months have passed and the process for distributing these medals has yet to be determined. In fact, the application forms were finalized only a couple of weeks ago.

In my conversations with officials at the chancellery it was revealed that the medal itself has yet to be struck. Moreover, I was told that the medal, which was scheduled to be presented at ceremonies throughout the country on or about Remembrance Day, will not be anywhere near ready by then.

Why has it taken so long to act? Why have Korean veterans associations across the country not been consulted to facilitate and expedite this process?

It seems that the officials responsible for administering this award are focusing on why this honour cannot be processed on time instead of how it can be done.

Nobody is interested in pointing fingers and assigning blame. All we simply want is for our Korean war veterans to get what was promised to them and what they deserve without further delay, because after three decades I believe they have waited long enough.

* * *

REFORM PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, if you are thinking of becoming a grain farmer and if you bought a membership in Preston Manning's Reform Party, here is what would be in store for you:

(1) A shift from a government supported agricultural industry to an industry shaped by market forces only.

(2) The removal of agricultural support programs.

(3) A reduction of marketing boards as a federal cost reducing measure.

(4) The PC government is spending $2 billion on farmers.

Preston Manning would hold a referendum and let the people of Montreal, Toronto and Vancouver decide it.

With policies like these, Mr. Speaker, you would need to win at least one 649 lottery per year just to stay in business.

I dare Preston Manning to try his policies on the farmers of Brandon, Manitoba this coming Friday. They will likely run him right out of town.

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HOUSE OF COMMONS PAGES

Mr. Speaker: Before commencing Question Period, I should like to notify hon. members that we have the pleasure of welcoming 43 new pages who join us this year.

[*Translation*]

More than 400 young Canadian men and women across this country submitted applications, and the young people with us today were chosen after a vigorous selection process.

[*English*]

I assisted at their swearing in ceremony on Monday. I know hon. members will be impressed with the calibre and enthusiasm that these young Canadians will bring to their duties.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Prime Minister.

There are press reports falsely suggesting that the Liberal Party of Canada has agreed in advance to support the constitutional proposition of the government.

I want to tell the Prime Minister that he does not have and will never have a blank cheque from the Liberal Party when it comes to constitutional reform.

The Prime Minister knows that in order to avoid another constitutional disaster he has to work with both opposition parties.

The Prime Minister promised to brief me and the Leader of the NDP on this proposition. I want to ask the Prime Minister when he will keep his promise.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have never asked the Leader of the Liberal Party for a blank cheque on constitutional reform or anything else, and he knows that.

Second, with regard to his second statement that on constitutional reform we would have to learn to work with the opposition parties, he may have been absent from the House, but the Leader of the Liberal Party, as he then was, and the Leader of the New Democratic Party and almost every single one of their members, endorsed the last constitutional position brought forward by the Government of Canada. My hon. friend will want to reflect on that.

With regard to the briefings that we agreed upon, the Minister Responsible for Constitutional Affairs and I will be in touch with both opposition leaders later on today to suggest some times that we hope will be mutually convenient so we can proceed within the next few days to do precisely that.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am glad he realized that today's newspaper reports were not correct and that he has the benefit of our party's position put before the public on April 21, which is clear and to the point. I want to ask the Prime Minister whether he can guarantee that the constitutional proposals he will table will respond to the legitimate aspirations of Quebecers, reflect the legitimate aspirations of the people of Western Canada and the Maritimes who want an elected and reformed Senate, and also, by means of sound proposals, respect the aspirations of Canada's native people?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition took the titles from three speeches made recently by the Minister responsible for Constitutional Affairs, in which he referred to issues concerning native people and Quebec and also to Western Canada's desire for an elected and reformed Senate.

• (1420)

Since the minister has already stated what our intentions are in this respect, I would imagine that considering today's statement by the Leader of the Opposition, this should be exactly what he had in mind.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I am pleased to learn that the minister is reading my speeches before he makes his, because that is exactly what we have done.

We stated our position a long time ago because we wanted to make sure that this time the people would know ahead of time that there would not be a deal cooked in the backrooms and there would be participation by the Canadian public.

Some hon. members: Hear, hear.

Mr. Chrétien: I have to give credit to the minister. He is listening to that. The other day he said in the House that the way it was done the other time was completely wrong, and I agree with him.

I want to ask the minister or the Prime Minister if he can give us a guarantee that they will take the proposition that is part of our nine propositions to make sure there will be a real economic union in Canada and the movement of goods, people, services and capital in Canada will be free from sea to sea to sea.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is clearly very offended by deals cooked in backrooms. What does he think about deals cooked in kitchens?

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Mr. Mulroney: Mr. Speaker, I did not want my hon. friend to get exorcised. I was just asking for his opinion,

because the only one who has really had experience with that kind of deal is my hon. friend. But I take in good faith the suggestions that he is making.

The minister has tried to make the point time and time again across the country that the document which will be tabled hopefully early next week by the government will be the beginning of the process and not the end. We think it is a sensible document and a sensible approach, but we are inviting constructive criticisms.

Mr. Chrétien: You are learning.

Mr. Mulroney: My hon. friend says that I am learning. I hope so, I hope so. Most people of various kinds try to learn as they go along in life. That is something I recommend to my hon. friend, the Leader of the Opposition. It is not bad.

Some hon. members: Hear, hear.

Mr. Mulroney: We look forward to constructive ideas from the NDP, from the Liberals, and from all other people in this country who believe in Canada and who believe in one Canada; not one English and not one French and not French hived off into certain parts and not the west against the east. One Canada solidly united and prosperous, that is what we all want.

Some hon. members: Hear, hear.

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THE ECONOMY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Statistics Canada today reported that Canadian family incomes grew by 34 per cent in the sixties, 22 per cent in the seventies, but less than 1 per cent in the decade of the eighties despite world-wide prosperity.

This government's high tax and high interest rate policies stole from Canadians real improvement in their financial situation and creative massive unemployment.

Is this what the Prime Minister meant when he said he would impose prosperity on all parts of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, if the hon. member looks at the study, she will learn that the Statistics Canada study uses as a point of comparison the incomes of families prior to the 1981-1982 recession.

As a matter of fact what has happened since 1984 is that there has been real growth in family income at the rate of 2 per cent per annum and that is continuing.

With the economic policies that we are following, not policies of inflation but policies of prosperity, competitiveness, and growth, we will not only sustain that level of growth we will probably exceed it.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, amazing exaggerations and a lack of understanding of what Statistics Canada said.

You are always busy blaming someone else for the insensitive approach you have taken.

Mr. Speaker: I would ask the hon. member to put her question through the Chair.

[*Translation*]

Mrs. Finestone: In Quebec, 700,000 people are unemployed!

Does the Prime Minister agree with his Minister of Transport, his minister responsible for the Montreal area, who said yesterday that nothing could be done for Montreal and that it was up to the people of Montreal to create their own jobs? Is that what he means by a policy for prosperity?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the—

Mrs. Finestone: In French!

Mr. Mulroney: The hon. member says I should answer in French. But of course!

I can inform the hon. member for Mount Royal that thanks to a decision made by this government and rejected by the Official Opposition here and in the Senate on two occasions, we passed Bill C-22. I will be in Montreal on Monday to announce 300 new jobs and investments totalling $200 million, which will directly benefit the pharmaceutical industry and research and development in Montreal.

This is only one example of the thousands of new jobs being created in Quebec and across Canada, thanks to the policies pursued by this government. I would like to mention the aerospace industry and the petrochemical industry—the Liberals voted thumbs down, as they always do—patents and the pharmaceutical industry, where they also voted against the government.

We now have a serious problem in Montreal. Industries that have become obsolete must be replaced by new aerospace technology—

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[*English*]

TAXATION

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, Statistics Canada reported today that the average Canadian is no better off in 1991 than they were in 1980. The Minister of Finance says that in fact they are 2 per cent better off. That is the poorest who are 2 per cent better off, but the rich in Canada are 10 per cent better off. Under the Liberal and Conservative governments what has happened is that the rich have become richer.

Is the Minister of Finance now prepared to look at a fair tax system, because it is the tax system that ensures that the rich continue to get richer? Will he institute a fair tax system? Will he start by establishing a fair tax commission to study this issue?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, as the hon. member knows, there has been a great deal of change to the tax system that has made the tax system not only fairer but indeed simpler in many respects and more broadly based.

I repeat to the hon. member that the government's efforts to sustain growth and prosperity have shown up in an increase on an annualized basis of incomes of 2 per cent per year since 1984. That growth is continuing and we hope it will continue. With the turnaround in the economy and the need to improve our competitiveness, we believe we are on the track to sustained recovery, sustainable growth with price stability. The price stability is the most important factor because it is inflation that hits the low income and middle income people the hardest.

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CHILD POVERTY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister.

Last year the Prime Minister attended the world summit on child poverty. We all had great expectations that that would result in some changes for all countries including Canada. Yet, a major study of eight industrialized countries shows that Canada has the second worst record on child poverty of those eight industrialized countries.

We must address that issue now. I want to say that so far the government's response to poverty has been to extend the cap on CAP, to take billions of dollars away from social assistance for Canada's poorest.

Will the Prime Minister stand up today in this House and say that he is prepared to do something for child poverty in Canada and he is prepared to do it now, not tomorrow's agenda? What is today's agenda for the children of this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the enhancement of the child tax credit and other changes in the tax system have been very helpful in terms of improving the income levels for families.

• (1430)

I draw to the attention of the hon. member the fact that the United Nations, using a human development index that measures incomes, education, quality of life, environmental considerations, health and longevity, voted Canada number two out of 160 nations as the second best country in the world in which to live.

What is more important, according to the UN report, Canada's ranking improved from seventh in 1970 and sixth in 1985 to number two in 1990, and only Japan had a higher ranking than Canada in 1990. I think that is a pretty good record.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I say to the Minister of Finance that I do not think the poor children in this country want to hear us exchanging statistics. They would like to know that there is a future in this country. I would like to say that this government has a responsibility to those children.

[*Translation*]

However, the minister knows perfectly well the best way to stop being poor is to have a good job. Exports create those jobs, but our exports to the United States are now at their lowest level in 10 years. Where are the jobs the government promised Canadians? What is this government going to do for the unemployed?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, in just the last couple of days the OECD has presented a report on the Canadian economy. It is headlined: "OECD says Canada headed for recovery. Canada appears headed for a moderate export led recovery over the next several months with growth reaching an annual rate of 3.5 per cent by the end of next year and a further deceleration of inflation".

Not only did it say that, the OECD endorsed the Canadian government's position on monetary policy. It was very supportive of the fiscal policy and the fiscal direction that was contained in the February budget. It was very supportive of the structural policy changes, i.e. the free trade agreement, the GST, the changes to the unemployment insurance program. Yes, it was critical of labour efficiency, critical of interprovincial trade barriers, critical of an over-generous UI system.

We find this report to be very objective and we will be analysing it closely. It is not all gloom and doom. It is positive and it is full of optimism for the Canadian economy.

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THE ECONOMY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Finance. By the way, the OECD report also says that it does not expect any improvement in jobs in this country until the middle of 1992. That will not sound optimistic to very many Canadians, except the minister and his government.

Today, Statistics Canada reported that in July Canada's trade balance with the world fell to only $63 million, the lowest in more than 10 years. How can the minister continue to talk about an export led recovery in the face of these disappointing figures? Why will he not admit that his high dollar policy is holding back our exports and our entire economy and do something about it?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member is very much aware that there has been a substantial increase in the level of imports, I believe by $773 million dollars. The imports are essentially machinery and equipment for the manufacturing in the industrial sector. That is a positive sign, not a negative sign.

Exports have not gone down. They have remained constant. Imports have gone up because there is a confidence in the economy and there is a growing belief that the recovery is under way. In order to fulfil and capture the demands that are being created, not only in Canada but indeed outside of Canada, it is important to gear up to take advantage of these opportunities, and that is precisely what is happening.

Hon. Herb Gray (Windsor West): Mr. Speaker, I ask the minister to look at the Statistics Canada report. It said that the exports of machinery made in this country fell by $165 million in July. How is that good for this economy? Forestry products exports fell by $91 million, and the minister says that is good for our economy. Nobody is going to believe that.

I want to say to the minister that Canadian factories are operating at only 71 per cent of their capacity. More than 1,300,000 Canadians are out of work. How can there by a recovery when these people are out of work? Why is the minister willing to continue to inflict the pain and suffering of this level of unemployment on Canadian men and women right across this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member knows very well that there was a 4.9 per cent annualized growth recorded in the second quarter. We expect that growth to continue, albeit somewhat at a more moderate level. I do not think that that is unusual.

Furthermore, he talks about industrial capacity utilization. He would be interested in knowing that last month the industrial capacity utilization rate went up by 1.7 per cent. That is a clear indication, a clear, positive indicator, and that ties in precisely with the importation of machinery and equipment to gear up for a sustained demand and a sustained recovery.

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PORT OF HALIFAX

Ms. Mary Clancy (Halifax): Mr. Speaker, in November 1990 the Department of Transport commissioned a report on the competitiveness of Canadian ports. Today

Ports Canada confirmed that this report, although finished, will not be tabled in the House of Commons and will not be given to MPs for their perusal.

My question if for the Prime Minister. What is in this report that is too sensitive for the public to see? What is in this report that is too sensitive for the duly elected representatives of the people to peruse?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, on behalf of the Minister of Transport and the Minister of State for Transport, who are both travelling in the country, meeting with constituents in the industry, I will take that question under notice and try to get back to my hon. friend.

Ms. Mary Clancy (Halifax): Mr. Speaker, while I thank the hon. minister for his response, this is the third time this year that I have posed a question through you to the government on the question of the port of Halifax and been told that I will get an answer at a later date.

Is there no one on the government side who is prepared to talk about what the plans are from this government for the port of Halifax? The litany of disasters is beyond belief. What does this government have in mind for the port of Halifax, and when is this government going to do something for a dying port?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend would be perhaps interested and I think pleased to know that I had a lengthy meeting last Friday with Premier Cameron of Nova Scotia who made—

Ms. Clancy: It warms my heart, Brian.

An hon. member: So you don't want an answer?

Ms. Clancy: Yes, I do.

Mr. Mulroney: I am trying to answer her question. As soon as I begin to answer, the member for Halifax indicates she is not interested.

Ms. Clancy: I am interested.

Mr. Mulroney: All right. If you are interested now, I will try to give you the answer.

Premier Cameron, the premier of Nova Scotia, has devoted a great deal of time and energy to the problem of the port of Halifax and has made it the highest priority of his government. He has come forward to the Government of Canada, not with criticism and uninformed comment but with some precise, constructive points of view as to how Halifax and the port of Halifax can benefit greatly from co-operation by the Government of Canada and the Government of Nova Scotia.

We have taken his views very seriously. We are going to act upon them to the benefit of the port of Halifax.

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TRUCKING INDUSTRY

Mr. Steven W. Langdon (Essex—Windsor): All day, Mr. Speaker, I have been trying to persuade the Department of Transport to agree to meet with truckers' representatives from Windsor so that the truck blockade with its adverse economic effects would come down. That is all these truckers want—a chance to be listened to.

I want to ask the government why it has now refused to set such a meeting. Why will it not make this simple gesture to give people a hearing and end this blockade?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, the present Minister of Transport has continued the task force on trucking which was set up when I was the minister. There has been a great deal of effort put into it. It represents all of players in the industry. That is forum within which independent truckers and all players in the industry have been working.

I would think that it would be appropriate for my hon. friend to suggest to the truckers who are blockading the bridge and throwing thousands of Canadians out of work, to work through the recognized trucking associations. That is the way we will get progress in this matter.

• (1440)

Mr. Howard McCurdy (Windsor—St. Clair): Mr. Speaker, on the same question, there is no question that the blockade is causing a great deal of economic harm.

But does the government not understand that this is an act of frustration that involves not just truckers but farmers, pensioners and workers and it is symptomatic of the explosive conditions that this government has produced in this country as a result of a seething anger among Canadians that you refuse to answer to them?

Why can you not do this simple thing and agree to meet with the truckers when they come here? Why can you not become a government that listens?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I should tell my hon. friend that when I was Minister of Transport I went to Windsor and cut a deal and the Independent Truckers did not keep it.

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CANADIAN PASSPORTS

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, my question is for the Secretary of State for External Affairs. It pertains to the issuance of fraudulent passports.

Yesterday the minister said in this House:

> Security is our highest priority in the issue of passports.

Yet her own aid says that they cannot afford to hire enough staff to ensure each application is genuine.

Is security the highest priority or not?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, yes, security is a high priority.

The reason it is the highest priority and the evidence of it is in the answer that I gave yesterday, that the people in the passport office in the consular division, when problems are brought to their attention, immediately report them to the RCMP.

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, we know from the four versions of the Al-Mashat report just how accurate the minister's investigations can be.

I want to draw to the minister's attention that the 1991-92 estimates show that the minister has almost $5 million in the passport office revolving fund. For half that she could hire at least 50 security people to check the documents and guarantors.

Will she protect Canadian security and assure this House that these people are hired at once?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, I do not need any lessons from the hon. member on doing my job.

Second, I am satisfied that the passport people who work very closely with the RCMP when there are questions of security will continue to do their job as they have in the past.

I have indeed discussed this within the department as to further steps that may be taken. As I said yesterday, I have asked for a report. We will continue to ensure that the Canadian passport is secure, and security will continue to be our priority.

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EXTERNAL AFFAIRS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Again yesterday Canadians were shocked and angered to learn how lax and inadequate government procedures are allowing, this time, drug dealers into our country.

Last June 10, 11 and 12 the Secretary of State for External Affairs, responding to the Al-Mashat inquiry here, told the House that she had a team of officials urgently looking for a secret memo, a memo she was confident would be found.

My question is: where is the memo?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the question of the missing memo has already been thoroughly canvassed.

It is a secret memo, not top secret as members opposite have continued to say. The department has made every effort to find this memo, and it has not yet been found.

We did have an internal investigation on this and, as the hon. member knows, the internal investigation did not produce any evidence of any fraud or anything that should not have existed.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my supplementary question is for the same minister.

Six months is a long time to be looking for a memo. Although the minister states that the memo in question has not been found, surely the officials searching for that memo have made a report to the minister.

I would ask that the hon. minister make public to us that particular report made by the officials about their search.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, the report that was made was a normal one through the internal security of the department and the security within the department, as the hon. member knows, is an internal matter. I will not

be producing a report, although I will be producing a formal reply.

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CANADA POST

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the minister responsible for Canada Post.

Canadians hope that the present mediation process will resolve the postal dispute. However, this summer pensioners, the disabled, veterans and others faced a real mess with regard to the mail delivery system.

Will the government and Canada Post respond positively to the request of anti-poverty groups and others and sit down with postal workers in order to work out an agreement with regard to the delivery of pension and other cheques?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, along with the hon. member and I am sure all Canadians, I am sincerely hopeful that the mediation effort will result in a conclusion to this dispute and a contract mutually satisfactory to both sides. That is what is to be wished for.

If there is another strike, and heaven forbid, I do not think we can stand idly by and see anybody hurt, pensioners or anybody else. But I have to say to the hon. member that if there is concern on the part of the union about cheques being caught in the system and not available to those who need them, all they need to do is give 48 hours' notice before going on strike and the cheques will be delivered to every pensioner and they will not be hurt as result of the strike.

Mr. Rod Murphy (Churchill): Mr. Speaker, I do not know if anyone can predict exactly when a strike would occur, so I do not know if the minister himself could deliver on that promise.

Therefore I would ask again that the government and Canada Post agree to sit down with representatives of CUPW. Surely, if those members are willing to deliver those cheques, the government and Canada Post are able to sit down and try to negotiate this before there is any dispute.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, I hope the hon. member is not predicting that through his sources there is going to be another strike.

I repeat, the problem last time was that cheques from the government were trapped in Toronto where strikers refused to allow anybody to go in and recover the cheques. They illegally blocked entry and the police would not break the entry.

To avoid that happening again, all that needs to happen is 48 hours' notice so that cheques do not get trapped in the system. Perhaps he could use his channels to communicate that. If there is concern about the pensioners, give us some warning and we will make sure that pensioners are not hurt.

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REFORM PARTY

Mr. Felix Holtmann (Portage—Interlake): Mr. Speaker, my question is for the Minister of Agriculture.

Could the minister inform this House how a Canadian Reform Party policy of a reduction in agricultural support programs and a reduction of marketing boards would benefit western grain farmers?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, that is quite a challenge. It would probably be better directed to the hon. member for Beaver River.

Mr. Speaker: It is a challenge to me too, but do the best you can.

Mr. Mayer: Beyond their policy of advocating a reduction in support to all industries, you have to think that what they are presently advocating on behalf of agriculture would be very damaging at a time when farmers need our support.

I would suggest, giving that we are going through an opposition day with a debate on agriculture—and we have had some pretty good debate here this morning—it might be appropriate for the hon. member for Beaver River to enter into that debate to tell us what her party would do to support Canadian farmers in a time of great need.

EDUCATION

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, in April 1989 the federal government arbitrarily changed the policy for post-secondary education for the funding of aboriginal students. Now its latest action has created a waiting list of up to 400 in the Atlantic region. I know the minister will say 100, but that is doctoring the numbers. As well as there is a 30 per cent reduction of post-secondary education funding for aboriginal students.

• (1450)

Why is the government sloughing off its responsibility to the bands and these students under various arrangements? Why has it not lived up to its obligations to aboriginal peoples as guaranteed under section 35 of the Constitution?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is a very timely question. I want to assure the hon. member that the Government of Canada is very proud of the leadership we have taken in increasing the funding for post-secondary aboriginal students from some $50 million a year, as it was at the time when the previous government left office in 1984, to almost $200 million this year, rising to $240 million by 1995.

The number of aboriginal students presently enrolled in post-secondary programs is 22,000 compared to 5,000 in 1984 and less than 1,000 when the Leader of the Opposition had the portfolio I presently preside over. Of these programs, 70 per cent are administered by aboriginal leadership and aboriginal organizations.

We would like to see all of these programs administered in the spirit of self-government by aboriginal leadership because this is a management problem. All aboriginal student in Canada can have access to a post-secondary education under the program that has been put in place by this government.

Ms. Ethel Blondin (Western Arctic): Mr. Speaker, my supplementary question is for the same minister.

The math does not compute. On April 23, the Prime Minister announced to the chiefs at a First Nations Congress meeting in B.C. that a $320 million increase would be made to post-secondary education for that budget.

Nonetheless, we have a 30 per cent reduction or shortfall and we have students on the waiting list. This is totally unacceptable and this is a breach of the fiduciary that the government has for this responsibility.

I want to ask why there is such a blatant contradiction between the fine words of the Prime Minister to make this increase and the actions of that minister.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Mr. Speaker, if we are talking about math, I think it is the math of the hon. member that is faulty. In fact on average every aboriginal student in Canada, over and above the normal support their receive in their communities as aboriginal students, receives an average of $10,000 per year to attend university, which is four times the cost of tuition and books.

As I said previously, this is but a management problem: 70 per cent of these programs are managed by aboriginal leadership and we are happy to work co-operatively with that leadership to ensure there is no hardship to any qualified student who should be attending university this year.

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RACISM

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Prime Minister.

This summer there were several ugly incidents of racial conflict in Montreal, Halifax and other cities. Unfortunately, there are signs of growing intolerance and racism in Canadian society.

Under these circumstances I would like to ask the Prime Minister if he would show leadership by bringing in new measures to combat racism in Canada and, in particular, more effective affirmative action for the justice system, especially for the police, the courts, the prosecution and the parole system. Would he do that, please?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Mr. Speaker, since 1988, we have effectively moved the program of my department, the new Ministry of Multiculturalism and Citizenship, to combat

racism and help eliminate racial discrimination and to bring forward programs that will help in integration and equality.

The member is referring to Halifax. We recently put together a small working committee with the province, of course. The Attorney General and the mayor were very co-operative and helpful. Black community leaders working together came forward with some 94 recommendations which are now being examined very carefully, a process that can help a whole community in its coming together to help overcome decades and decades of that inequality.

We have a very active plan for Montreal as well.

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this supplementary question could be for the minister of employment.

As the government knows, racial conflict is often related to high unemployment. Since there is a clause in the Employment Equity Act requiring a full review of that law this year, would the government help these unemployed Canadians by proposing stronger sanctions to enforce this employment equity law?

I remind the government that the present law has not been successful in providing more jobs for the racial minorities in Canada and the other target groups.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, I can inform the hon. member that we are aware the Employment Equity Act is to be reviewed after five years. This timely social measure was introduced by our government. We are making gradual progress, and within the next few weeks we intend to announce on the floor of the House how we intend to revise this legislation, in consultation with those for whom the measure was intended, to make it more effective and ensure the kind of working conditions to which the four groups concerned by employment equity are entitled.

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THE ENVIRONMENT

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of the Environment. Last summer, the minister appointed the Lacoste Commission to review the Great Whale Project. My question to the minister is this: does he really think he has the right to do an assessment of the Great Whale project? What right does he have to examine Quebec's energy policy? And what right does he have to review Hydro-Quebec's business plan?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, in accordance with its obligations as imposed by the courts, the federal government announced on July 10 that it intended to proceed with a comprehensive environmental assessment of the Great Whale project. We did so, keeping co-operation with Quebec foremost in our minds. In the mandate of what today is referred to as the Lacoste Commission, it says clearly that the commission will not examine the energy policies of the Government of Quebec.

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker. Hydro-Quebec representatives told us they would refuse to appear before the Lacoste Commission because the Government of Canada was exceeding its authority, which is limited to migratory birds and marine mammals, and to Hudson Bay.

Could the Minister of the Environment explain why his Lacoste Commission is exceeding its mandate? And why does he want to force Hydro-Quebec to justify its business plan before a federal commission, something it is under no obligation to do under the present Constitution?

Hon. Jean J. Charest (Minister of the Environment): Mr. Speaker, I can inform the hon. member that in addition to the federal environmental assessment process provided under the agreement, we must comply with the terms of the federal environmental assessment and review process.

The hon. member for Shefford says no, Mr. Speaker. I just quoted a letter to the Quebec Environment Minister, dated November 20, 1989, and signed by Lucien Bouchard.

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[*English*]

MANUFACTURING INDUSTRY

Hon. Alan Redway (Don Valley East): Mr. Speaker, my question is for the Minister of Industry, Science and Technology.

Last week Colgate Palmolive closed a plant in Toronto and moved some 250 jobs to the United States. The minister is aware of the fact that there is a growing concern in southern Ontario about the fear of permanently losing our manufacturing base.

We know that the minister has a strategy for competitiveness for the long term, but in the long term we are all going to be dead. What is the government going to do right now about this situation?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, what we are doing right now is getting interest rates down as much as we can. The Minister of Finance has commented on that on a number of occasions.

We have been promoting trade aggressively. I have been in five different countries in the last six months promoting international trade, promoting our exports, which will help our manufacturing community. In addition to that are some of the structural policies that my colleague, the Minister of Finance, has just talked about and the GST which is designed to help the competitive position of manufacturers. All of these combined are what we are doing now, but I should reinforce the point that my colleague has made that the medium and longer term policies are equally important.

• (1500)

That is the essence of the consultation that we will be announcing with Canadians in general to have a national action plan to deal with this problem.

* * *

JUSTICE

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I have a question for the Minister of Justice.

Many people in Saskatchewan were appalled when the Minister of Justice recently appointed Devine cabinet minister Gary Lane to a position on the Saskatchewan Court of Appeal, a position that Lane himself created.

The Canadian Bar Association has called for a two-year cooling off period before politicians can go to the bench. Why has the minister allowed her political partisanship to infringe upon the credibility of Saskatchewan?

Mr. Speaker: I am deeply concerned with the tone of the question. The minister may want to deal with it, but I am certainly not satisfied with that approach on the appointment of a judge.

* * *

TRANSPORTATION

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is for the Prime Minister, in the absence of the Minister of Transport.

This morning on Annapolis Valley radio, a source was quoted from Transport Canada as saying that the ferry service between Saint John, New Brunswick and Digby, Nova Scotia would be greatly reduced in that they would eliminate truck service as well as put it on a seasonal basis for car passengers. The source went on to say that it would not impact in the area.

Can the Prime Minister allow somebody from the department, a source, to talk about how this would impact on an area, whether it would impact or not, and will the Prime Minister tell this House that this is not a valid source and that this is not a policy of this government to cut off an area?

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, I will be pleased to take note of that question for my hon. friend and will try to get back to her as soon as possible.

* * *

PRESENCE IN GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Butrus Butrus Ghali, Deputy Prime Minister for Foreign Affairs and Minister of State for Immigration Affairs of the Arab Republic of Egypt.

Some hon. members: Hear, hear.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to put my regular question to

the government House leader with regard to the business of the House for Friday, Monday and Tuesday.

While I am on my feet, I wonder if the government House leader could inform the House as to whether or not Monday or Tuesday of next week will be set aside for the introduction of the government's comprehensive position with respect to the Constitution, whether the government House leader could indicate to the House if they have reached a decision with regard to the funding that will be made available for the committee, and whether or not there can be further discussions between respective House leaders of the various parties in order to make sure there is a clear understanding of the nature of the funding, where it will be going, and the amounts that will be involved.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, in terms of House business, let me say that it is my intention to call Bill C-21, the debt servicing bill, tomorrow for completion at second reading. Hopefully we will also be able to deal with the completion of third reading of Bill C-11.

On Monday it is my intention to begin second reading on Bill C-32, and I would like to have the usual discussions with opposition House leaders in terms of the business for the rest of the week.

With respect to the constitutional committee and its announcements, perhaps you will allow me, Mr. Speaker, to let the Minister responsible for Constitutional Affairs answer those questions.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, I do not do this very often, but just for greater certainty could I have the questions again.

Mr. Dingwall: Mr. Speaker, I am wondering if the minister who is now listening could inform the House as to whether or not Tuesday of next week will be set aside for the Prime Minister and respective leaders, the Leader of the Official Opposition and the leader of the NDP, and perhaps himself in terms of the government laying its proposal before Parliament with regard to constitutional reform, whether or not all the arrangements for the committee in terms of the funding and membership will be announced forthwith, or whether they are going to require further discussion among all parties.

Mr. Clark (Yellowhead): Mr. Speaker, I thank the hon. member for his understanding of my brief predicament, which he has resolved.

It certainly would be our intention to have the Prime Minister present to Parliament on Tuesday morning, September 24, proposals for renewal of the Canadian federation with the expectation that that would provide an opportunity for the Leaders of the Official Opposition and the New Democratic Party to respond.

It would be my hope that there would be meetings with the relevant committees of the House today or tomorrow to give effect to the creation of the special joint committee that had been agreed to by the House earlier in the spring. I would hope that that committee would be in a position to hold its first meeting on Wednesday, September 25, when I would like to have the privilege of coming before the committee to present the proposals in more detail.

With respect to funding arrangements, those are matters that would have to be worked out by a committee of the House. I want to state a general inclination on the part of the government with regard to the functioning of this committee to seek for the most reasonable ways possible in which members of the three parties with standing in this House can work together to ensure that we achieve the kinds of reforms and changes that Canadians expect of us, and indeed, that we can involve to the greatest degree possible the imagination and the understanding of the people of the country in this process.

I have had some discussions with the Leader of the New Democratic Party regarding a particular question concerning participation of members who are not formal members of the committee. I think there has been an agreement worked out there that I trust and believe would recommend itself to all members of the committee.

Mr. Dingwall: Mr. Speaker, I do not wish to belabour the point. The minister has made reference that the committee will decide with regard to the funding for the purposes of research.

It was my understanding, and maybe I was under a false premise, that when I exchanged letters with the parliamentary secretary, which I believe the government House leader has, that we were going to have a decision sooner, as opposed to later, and that funding and the funding arrangements would not be funding which is

going directly to the committee. It would go directly to the three parties which are represented in the House.

The government House leader and I have debated this point in private, but that was my understanding back in June.

I am wondering if the minister or, indeed, the government House leader could amplify that point.

Mr. Andre: Mr. Speaker, there is no reluctance on this side to pursue funding of the form that the House leader of the opposition talked about.

It is a question of source and process. As he knows, the process is for the committee to meet to make a request for funding to meet its obligations and to be used for whatever purposes it decides. That request then comes back to the House. We usually deal with the House leaders first. If it is satisfactory, a motion is put to the House to request the funds.

There are no other pockets of money so to speak that we could get the funds to by-pass that process in order to provide the funds.

That is the process. There is no reluctance to proceed in a way that will facilitate the work of this committee and ensure that for the benefit of Canada, the right outcome occurs.

Mr. Dingwall: Mr. Speaker, I am not trying to put words in the mouth of the Minister Responsible for Constitutional Affairs, but am I right in assuming that we are looking at Tuesday, September 24, for the Prime Minister tabling the comprehensive position that the government has with regard to constitutional reform? Is that right?

Mr. Clark (Yellowhead): That is correct.

• (1510)

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister Responsible for Constitutional Affairs. I wonder if he is in the position today to announce who the co-chairs of the special joint committee will be and if he cannot do it today, can he tell the House when that will happen?

Mr. Clark (Yellowhead): Mr. Speaker, I am not in a position to do that at this moment.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is for either the House leader or the minister responsible. The Constitution is so important that I am sure without requesting permission we could ask questions directly without giving notice. Having had a long time interest and having been a member of the committee in 1972 that travelled across Canada, am I to understand that on Tuesday there will be a debate or just a statement by three ministers and no questions by interested members? Is that the understanding? I did not check with my House leader because I did not expect this to come at this time.

Mr. Andre: Mr. Speaker, the process is, using the rules of the House in the usual procedure, a statement by ministers, the statement by the Prime Minister in this case, at the end of which time he will table the paper which will then be referred to the committee set up by this House for consideration and initiation of public debate, discussion and consultation.

It is not intended, and indeed the hope is just the opposite, that we do not on that day at that precise time get into an extensive debate either about the contents or about the whole general constitutional situation. There will be ample time for that. This is simply the traditional mechanism of releasing a government document of some importance, a statement by ministers. That will be done.

As a senior parliamentarian, the hon. member will appreciate that there will be no press lock-up, that the only people who will see that in advance are the Leader of the Opposition and the leader of the New Democratic Party. Everyone else will receive it at the same time, including the media, whom I am sure will be surprised that they are not getting the favoured treatment they usually get.

Mr. Dingwall: Mr. Speaker, I do not wish to prevail upon the government House leader too much, but since he has been somewhat generous in sharing with the House the activities which will take place on Tuesday, perhaps he and the Minister Responsible for Constitutional Affairs could indicate to the House as to when the Leader of the Official Opposition and the leader of the New Democratic Party will see the proposal of the Government of Canada?

Mr. Clark (Yellowhead): Mr. Speaker, I think that if the schedules of the Leader of the Official Opposition and the Leader of the New Democratic Party allow, that there would be a full briefing for each of them on Monday. I think it is the expectation that there would be a briefing without a document available to each of the

spokespersons of the two official opposition parties probably earlier in that day on the Monday.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, pursuant to Standing Order 84(1), I have the honour to lay upon the table copies of the notice of ways and means motion to amend the Excise Tax Act and related acts, and I ask that pursuant to Standing Order 84(2) an Order of the Day be designated for consideration of said motion.

* * *

SUPPLY

ALLOTTED DAY, S.O. 81—AGRICULTURE

The House resumed consideration of the motion of Mr. Althouse (p. 2361).

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, so far, on this particular motion, I think we have had a very good debate. It has been quite stimulating and somewhat illuminating. I must say that to some extent I have mixed feelings about the motion. On the one hand I wish that it were not necessary to have this kind of debate. If things were not so difficult down on the farm, I guess we could be dealing with some other matters, talking about some other important issues. So that is on the negative side.

On the positive side, I welcome this motion. I welcome the debate around it because the motion reflects something that was already done some days ago near the end of August in a meeting of our Standing Committee on Agriculture. What we did was pass a motion almost identical to the one that is before us now. What is so encouraging about that is we had all-party support for that motion in the Standing Committee on Agriculture. It would be very encouraging if the same thing happened here in the House of Commons because, after all, the purpose of this motion and the purpose of this debate is to help the lot of farmers, to help them face the challenge that is before them right now and it is a very difficult one.

The hon. Minister for Grains and Oilseeds has already indicated that the government will not be supporting this motion. I find that discouraging and I will tell you why. I think what it does is it sends mixed signals to the agricultural community. On the one hand we go out of our way to listen to the farmers and hear what they say, to recognize the terrible problems that they face. Yet, when it comes to a motion like this which, in effect, says there is a problem out there and it has to be addressed right now, the hon. minister of grains and oilseeds says: "I cannot support that."

Now the minister says he cannot support it because of rules of the House and rules according to parliamentary procedures that go way back to Runnymede, hundreds and hundreds of years ago. But the fact of the matter is that the motion points out and really says, on behalf of the House, that if it is passed it is in no way an expression of non-confidence in the government. So I cannot see, for the life of me, why the government cannot support the motion. It does send a mixed signal to the farming community.

Now there are other mixed signals too, distressing signals that I want to point out. For example, the important issue, the issue that is concentrating the minds of farmers at this moment has to do with emergency assistance.

Yesterday, in the House, I said to the hon. Minister of Agriculture that we do not need any more information as to what has gone on in the past few months. We do not need any information with respect to what farmers might expect under the safety net programs GRIP and NISA. We have that information already. What we do not have is what the government is going to do in the way of emergency aid, that is what we are looking for and that is the information that we want. Yet, the Minister of Agriculture, yesterday, refused to deal with that question.

I must say, and again it is discouraging, that the Minister of Grains and Oilseeds stood up in the House today and he spoke for a long time, 20 minutes or more, and hardly addressed this matter of emergency assistance except to say that he recognizes the problem, he

has great feeling for it and they will do as much as they can. Well that is not a lot of information.

It seems to me that if the Minister of Agriculture and the Minister of State for Grains and Oilseeds have some very serious problems in cabinet or elsewhere, I think they should be telling us what those problems are. You never know. We might be able to help them a little bit.

• (1520)

There was a mention in the House this morning about playing politics with this issue. Yesterday I said in the House, as part of a question, that there was going to be a rally in Brandon, Manitoba, today. Actually, it is tomorrow. That was an inadvertent statement on my part.

Yet the Minister of Agriculture chose to play politics with that. He chose to score brownie points on me because I inadvertently gave the wrong date. The Minister of Agriculture can go around and abuse me, and that is fine and dandy. However, he should not be playing politics with farmers, and he should not be trivializing the situation faced by the farming community.

Mr. Duhamel: It was a cheap shot.

Mr. Harvard: I wanted to put those remarks on the record because I think farmers can be somewhat confused by what is coming out of the House. On the one hand we say we are concerned, that we are listening, and we recognize the problems, and want to do a lot. Yet we hear some of these remarks which, if not 180 degrees, are at variance to some of those expressions.

I think we should, as best as we can as politicians, as members of Parliament, be very clear in what we are saying because we are dealing with an extremely serious situation down on the farm. I know that the member for Mackenzie was extremely eloquent this morning when explaining the kinds of problems faced by farmers.

Mr. Speaker, I do not have to tell you that there have been changes in the way we help farmers. We have gone from an old *ad hoc* approach to providing assistance to something that is a little bit more predictable called GRIP and NISA. The old program is gone. That was for the old days. GRIP and NISA are for the future more or less, even if that is the immediate future, a few months down the road. The problem we have, and this is why the farmers are crying out for emergency assistance, is what do we do in the interim. What do we do to tide the farmers over from the old system to the new system? This is where the so-called third line of defence comes in. This is where transitional assistance comes in, or call it emergency payments. Call it what you will, but the farmers are in desperate need and they need that help now.

There is a shortfall there of $1 billion, maybe a little less, but it is around $1 billion. What we have been trying to do is get the Minister of Agriculture and the Minister of State for Grains and Oilseeds to address that shortfall of about $1 billion and let there be no question. There was, there is, there remains on the record a commitment from the government to provide that assistance, to provide that so-called third line of defence payment.

It must happen and it must happen soon because if we wait for GRIP, if we wait for NISA, it is going to be too long. There are going to be some farmers gone, some very good farmers gone, by the end of the year if we wait around. There is no time to fool around.

Mr. Speaker, I do not think I have to go through a litany of figures to tell you just how serious it is. But let me touch on a paragraph in a statement made by prairie pools not too long ago. In fact it was August 29, the very day the Standing Committee on Agriculture met here in Ottawa. Let me read one paragraph: "The five-year-long trade war has taken a significant toll on the grains and oilseeds industry. Net cash income in 1991 will be 5 per cent less than it was last year and 39 per cent lower than the average for the last five years. If the cost of investment and machinery, equipment, and buildings is taken into account there will be only about $1.1 billion to grains and oilseeds producers to cover living expenses". Put another way, said vice-chairman Leroy Larsen, and I quote: "Unless they have some other source of income, the average farm family will have to live on between $5,000 and $6,000 in 1991"—$5,000 and $6,000 in 1991. That is less than one third of the low income cut-off or poverty line for a family of four, which has been set at just over $19,000.

We have a serious situation. I am glad that this kind of a motion is before us. I am happy that we have had this kind of debate. I just hope that we can come to grips with this situation as soon as possible.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to congratulate my colleague on his remarks. We know this member has a tremendous amount of experience in the area of communications.

Speaking as one urban member of Parliament, we quite often sit in this House and listen to these debates on agricultural matters and are naturally not as knowledgeable as many of our members who have rural ridings. I also believe that many of our constituents in urban areas are not as familiar with the complexities that surround this issue.

For example, when I listened to the minister responsible for the Wheat Board this morning, he talked about the tremendous subsidies that the European countries were giving to their farmers and said they were virtually holding our farmers in this country hostage. They were creating a situation where even with all the cash assistance that hopefully this government will be advancing soon, it still does not correct the problem in the long term.

I was wondering, as I was listening to the minister for the Wheat Board this morning and my hon. colleague just recently, if it would be more effective for us as a country to have these meetings debating agricultural subsidies not just with the bureaucrats and the politicians. Somehow we should communicate to the communities at large, not only in Europe, but also in our country, just exactly what is going on in terms of subsidies.

I know how effective the Greenpeace campaign was in terms of the baby seals. There are many other examples in terms of the rain forest.

I wonder if the hon. member could react to what his views would be in terms of communicating these problems to major urban markets, not only here but also in Europe.

Mr. Harvard: Mr. Speaker, I think that my hon. colleague has made a very good suggestion. I think we have to communicate better on this issue. This is not just a farm issue. It is an urban issue. It is a national issue. The farmers feed all of us. They feed themselves and they feed the people who live in the urban areas of the country. In fact, this is really a food security issue. That is how important it is. We are not just talking about saving a few farmers. We are talking about the very security of the country.

I have said this before and I will say it again. If a country, be it Canada or any other country in the world, cannot feed itself, if it does not have a stable agricultural community, if it does not have farmers who can make ends meet, that country is in terrible shape. If the farm community goes down, the rest of the country will not be far behind.

I think that my hon. colleague from Toronto is absolutely right. We do have to come together on this issue because we are all involved in it.

• (1530)

Mr. Jerry Pickard (Essex—Kent): Mr. Speaker, the contributions of farmers and the agri-food industry is this nation's lifeline. We just heard a minute ago how important the food industry is to any person in this world. It is very clear in Ethiopia how important food is. It is very clear in the Soviet Union how important the food and agricultural industry are. It is important to the European Community because it suffered 40 years ago with no food. It must be important to all Canadians.

The Canadian food industry as well as the farm community in this country today is in jeopardy. All Canadians must share a common goal of making certain that the farm community is raised to much better status than it is presently. I believe that the people in government, the people in the opposition, can all agree to that tenet. We must agree to that and we must work toward that today—not tomorrow, not in the future sometime, but today.

In my riding of Essex—Kent we have a very, very bad situation in the agricultural community. In the last four years poor weather has caused disaster in the agricultural community. I have seen plants leave my riding. Nabisco is one good example of a plant that was very productive and had to leave; Hunt-Wesson, another one that was very, very important in producing canned goods; Olinda, which is on the verge of being brought back. We are talking about hundreds of workers being laid off in factories in my riding, hundreds of farmers losing contracts, and certainly a disaster in the drought right now.

A lot of people would say "well, the farm community is protected a bit by crop insurance". Well, let me tell you and tell the people of Canada that crop insurance is based on the average of the last five years production. In my riding it happens to be that we have had disastrous weather conditions in four of those five years—drought, floods, drought, hail, all things which the farm community could not control, and yet things that have caused the

dollars and cents coming into my community, into Essex County and into Kent County, to be far diminished.

This year I understand if we were to look at the local situation in Essex County alone, we are talking about 40 to 60 per cent of our farm community in dire financial straits. Half the people in Essex County in agriculture are in dire straits. Essex and Kent counties are, without a doubt, the best agricultural producing counties in this country, and yet they feel this pressure, they feel these problems.

Why has this occurred? We know that there are disastrously low prices throughout the world on many, many commodities. A colleague of mine, Ralph Ferguson, has written a document using Statistics Canada documents and co-ordinated that material. He has called it *Compare the Share*. In this document he very clearly points out that we have farm commodity products which are basically the same price today that they were ten years ago. Minor increases in some of those products, but the cost to the consumer out of the farm is the same. Our consumers, looking on the grocery shelf, would never visualize that to be the case. We have seen high increases in the products that Canadian consumers are buying, yet at the farm gate those prices have not increased.

When I look at the soya bean, the corn and the winter wheat commodities in Essex County alone, we have a $40 million loss in just those three commodities.

I think that when we realize that and we add to it—the vegetable processing industry down $6 million in 1989 figures and the tender fruit industry down $1.6 million—we certainly realize that there is a disaster in my area.

We can look at how the farm is operating in a riding such as mine. What have the farmers done over the last four years when they have had disastrous conditions and disastrously low prices because of climate? They have gone out and borrowed money to plant more crops. They have borrowed money to make sure that the debts on the farm are paid.

As a result, all the past reserves of funds they have are now gone. Older farmers who have retired have taken money out of what they considered their retirement funds, and have put it in to help the younger people who are farming in my area.

When we look at the total situation, we certainly realize that our farm community today cannot survive if it does not receive some pretty strong help very quickly.

Off farm income is being affected as well. Many farmers kept their farms going by working in the small store, in the manufacturing industry or by having a job in a factory. That is not happening today. In my riding of Essex—Kent because of free trade, because of the recession, many of those jobs have been lost.

We are talking about thousands of jobs lost in almost every community throughout my area. At the same time, the small business person is feeling a tremendous amount of pressure because that small business is not having the same dollars flow into it.

People are being laid off in the manufacturing sector. People who are not receiving decent farm incomes are not buying the products in small stores. They are not buying the products on main street in small towns.

The result is those merchants are suffering tremendously as well. They are laying people off, and therefore, what might be considered a job that a farm wife, son or farmer himself could have has been lost in my riding. Add to that, the cross-border shopping crisis and you have a major disaster, one that we really must look at and treat very carefully.

It is not a situation where we can sit back and say: "Well, we put a program in place and there will be dollars coming next year to answer some of these problems." That is nonsense.

We applauded the putting into place of the GRIP and NISA programs to help the farm community. However, from the 1991 crop, no dollars appear except in some possible interim payment. No dollars appear until 1992.

There was a year in there. The 1989–90 crop year was never addressed. The minister said that there would be money for that 1989 crop year. They would treat that as a third line defence, and they would make sure there were funds available for the farm community then.

Many people in my riding still have their commodities in storage. Many of them have sold them for far less dollars than the cost to produce them, and they are in dire trouble. I talked to a farmer the other day who said: "My crop is sitting in storage. I owe more in storage than I can sell that crop for." When we realize that those are normal situations for a lot of our growers, then we know the disaster that people are in. We realize this nation has to come forward and help those farmers.

That does not even deal with the horticultural problem. There are no GRIP payments for the horticultural problem. There are no support payments in that area to help other farmers who are finding it just as disastrous.

I believe that our federal government must very seriously consider the problems that our farming community is facing and act accordingly, or we will have a national disaster concerning food. When we stop and think about it, I do not see a younger farm community coming up. I am seeing older farmers having tremendous problems surviving on the farm and younger people not willing to take on those burdens.

• (1540)

I see my time is getting a little short. I also believe that it is not just a federal problem but that it relates to the Ontario problem as well. I must make a point of the fact that our Ontario government, at the same time, must make certain that they do their fair share of support.

When I looked at the program in NISA that is available, the federal government will put in .5 per cent more money if the province would support the NISA program as well, meaning a fair amount more dollars. Some $24 million could be brought into the Ontario farm community if our provincial colleagues would come up with a fair bit more funding in the NISA program.

I also believe that the government has offered to bring up the $50 million which it offered in farm support for our community. Those dollars are sadly lacking and should be brought forward at this present time.

There is also some question about the stabilization payments. The federal government has asked that the provinces top up stabilization by 5 per cent if the federal government tops it up from 90 per cent to 95 per cent, which would bring Ontario farmers into 100 per cent stabilization payment. I believe that should occur.

There are many things that both levels of government should be doing which I, unfortunately, feel they are not.

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, I want to begin by sincerely congratulating all the members of the Standing Committee on Agriculture. I believe the motion that was passed unanimously in that standing committee of the House, the motion presented by my hon. colleague from Algoma and seconded by my colleague from Prince Edward—Hastings, was somewhat instrumental in leading to the motion we have before us today brought forward by the member from Mackenzie.

Like many other parts of Ontario, my riding of Stormont—Dundas contains a number of producers who face a rather bleak economic future if third line of defence emergency cash assistance is not made available to them by the government.

Producers throughout Ontario have been hit hard and many are facing severe cash flow difficulties. GRIP is too far off to help at this time. There must be some sort of transitional assistance.

There is also concern in the industry that the government may take money from GRIP to give producers money now when it will be needed for the next crop year. This would not be appropriate in my estimation. Emergency assistance must be based on the principles of GRIP, but not obtained from GRIP.

I would like to ask my colleague from Essex—Kent what he believes will be the long-term consequences for Canadian agriculture if—and I hope not—the government fails to implement emergency assistance at the earliest opportunity to cope with the crisis which is now facing Canadian producers?

Mr. Pickard: Mr. Speaker, I would like to thank my colleague for the very astute question that he puts forward because, when we look at dollars and cents that are put into programs, if we are robbing next year's funding in order to keep somebody floating or keep somebody economically viable today, we are really not supporting that person. We are throwing a lifeline only it

is going half way out to the person who needs the lifeline.

What must happen—and I believe there is no question in the agricultural community—is that they have to look at the crop that is presently there, the one that no support has come forward for, and apply GRIP principles to that, the same as if GRIP was in place and not just borrow from next year's GRIP payments to keep somebody in a position where they can make their NISA payments this year.

The reason that the interim payment was suggested, in my opinion, is that the government felt we must have some funding available so farmers could pay the NISA payments required to enter the program. As a result, an interim payment was suggested in GRIP. That interim payment in GRIP will only go back into the government coffers to cover the NISA costs. In many cases, therefore, the farm community will not come up with any extra dollars, will not have the dollars to plant the crop next year. They will have a few dollars to enter and pay into a program.

I think it is inherent upon all of us to realize that we have a crop that has been there for a year, that has been promised some support and that support is not forthcoming. My colleague is suggesting to me what possibly could happen if those payments are not made or if the support does not come.

I can clearly suggest that if half the farmers in my riding are in serious financial difficulty, adding more dollar and cent pressure to them will only put them under. Therefore, our agri-food industry is in jeopardy.

The Acting Speaker (Mr. DeBlois): On a point of order the hon. opposition House leader.

Mr. Dingwall: I am just wondering, Mr. Speaker, if the government is going to be able to have a minister sit through the proceedings for the remainder of this day which is an allotted day to my colleagues in the New Democratic Party. There was a period of time when there was no member of the cabinet on the front benches. I am just wondering if perhaps, Mr. Speaker, through you to the members opposite, you could ascertain whether or not ministers will have the time to participate in the proceedings that are taking place here today.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I would remind the hon. Leader of the Opposition, who knows the Standing Orders very well, that one cannot point out the presence or absence of a colleague in the House.

I am pleased to recognize the Minister of State for Agriculture. Resuming debate.

Hon. Pierre Blais (Minister of Consumer and Corporate Affairs and Minister of State (Agriculture)): Mr. Speaker, as Minister of State, I want to add to what my colleagues have said about the situation facing Canadian farmers, which is the subject of the motion by the hon. member for Mackenzie.

Mr. Speaker, we must admit that the difficulties are not confined to one region of Canada. At the present time, grains and oilseeds in Ontario are in a similar situation to the one in the West. Horticulture has very varied problems, including adverse weather conditions in eastern Canada. In your very beautiful riding, Mr. Speaker, it has delighted vacationers, but we must also admit that it has been the despair of the many market gardeners in your riding and the horticulturists in mine.

The motion before us, however well-intentioned it may be for farmers, suggests that governments are indifferent to the situation, are doing nothing to remedy it or are sitting on their hands. That is not true, Mr. Speaker. Previous speakers have shown that. The federal government has dealt with the need for various types of transitional programs for the implementation of measures to help farmers across Canada.

Farmers are expected to receive $3 billion in income support for 1991, of which nearly $2 billion will come from the federal government. This means that 61 per cent of this aid will be redistributed by the federal government throughout the country.

Mr. Speaker, the complex problems facing modern farming were never really attacked on so many fronts at once before we did. I remember that with the previous agriculture minister nearly two years ago, we set up twelve task forces to analyse all the programs for farming across the country. These task forces have done outstanding work over the last two years; the reports are not all in and have not all been implemented, but they helped us see the complexity of the problems.

• (1550)

It is not always simply a matter of giving money but also of protecting farming on a long-term basis.

The motion before us today, Mr. Speaker, suggests that we have not provided any third-line assistance under our general income security plan for farmers. This overlooks the farm support and adjustment program. Like a third line of defence, it adds $600 million to the total aid given under our two basic programs, more than $400 million of which will be spent in 1991. It also overlooks all the adjustments already proposed by the national horticulture income security committee for 1990 and 1991.

It is true that we use regular programs including NISA as a vehicle for several of these support measures. It is also true, Mr. Speaker, that discussion with the provinces on their participation in the NISA program is dragging on and has not yet given all the results expected of it. Nevertheless, it is estimated that it will provide $356 million in aid to farming in 1991. I am not unduly surprised that it takes some time to implement these programs. They were developed and prepared by the farmers themselves, who worked with us, the provincial and federal governments, in preparing long-term defence programs for farmers. They made these programs; the government did not impose them on farmers. The government did not. Farmers themselves prepared them with us.

Of course there is an adjustment period. It is natural, I believe, for a government that listens to the provinces and the farmers' associations to hold effective discussions with the provinces and have adjustment measures that give it and the provinces some flexibility.

La Presse agricole de l'Ontario said that grain growers in that province hoped that an agreement on the Net Income Stabilization Account would be reached as soon as possible. Ontario has already announced that it would make interim payments to its farmers under GRIP. Mr. Speaker, under this program, grain growers in Canada may have earned as much as $6.5 billion for the last crop year. We may regret the long and demanding process involved. We can't afford to short-circuit the process or get rid of it altogether or jeopardize its effectiveness by making decisions on the spur of the moment which, I admit, is sometimes tempting in the circumstances.

What the government is trying to achieve in the agricultural sector is the kind of stability that is economically sustainable and does not have to be constantly challenged and rebuilt. The whole point of linking third-line-of-defence assistance programs to existing, longer term programs is to help producers in all regions, in Quebec, Ontario, Western Canada and the Maritimes, opt into long-term protection programs, so that in the middle or at the end of the crop season, the government does not have to intervene with ad hoc programs, something everybody in this country deplores. That is exactly why we set up long-term programs, and now we are being criticized for using those programs as a vehicle for providing assistance to farm producers.

The process is a lengthy one. We must be patient and prudent, at a time when the finances of both provincial and federal governments are under severe constraints. The multifacetted measures we are trying to introduce are intended as a response to an extremely complex situation. Their efficiency and effectiveness can easily be compromised if we fail to act cautiously. If all the gears are not carefully adjusted, we may end up with a machine that won't run. The intricacies of this process were explained by Mr. Mazankowski, Minister of Agriculture at the time, at the federal-provincial meeting of Agriculture ministers in Regina last March. On that occasion he reminded his audience that it would be simplistic to calculate farm assistance on the basis of a comparison between 1990 and 1991 incomes. He said that this approach had been tried for the past five years and had always left us with a problem. We could no longer afford a stop-gap solution that would only be effective for another year.

The 12-point program he proposed at the time was built around the two new programs we are trying to implement systematically today. There would also be a third line of defence which for 1991 would have a component that would apply to the grain and horticultural sectors.

Mr. Speaker, this has been done. In fact, we are ahead of schedule because the program will apply to 1990-91. We cannot do more without jeopardizing the structure of the program, especially if we act without good reason.

Mr. Speaker, hasty actions and generous hand-outs are no way to provide our farmers with a lasting solution to their problems. Many conditions were identified as essential to the success of farming, that we care about, but they are far from being met. A lot needs to be done yet, Mr. Speaker. Take the unfair trade practices which

are responsible for the hardship suffered by our grain industry. They have not been eliminated, far from it. The GATT negotiations resumed this week, thank goodness, albeit at a snail's pace. Undaunted by the opposition it faces, Canada fiercely carries on to have its position recognized.

On that point, Mr. Speaker, I must say that Canada was most careful in developing its position to be put forward at GATT. We brought together farming groups from across Canada; we established an advisory group; we met with the provinces. The position we put forward and still defend, Mr. Speaker, has not changed. The Minister of Agriculture reaffirmed that fact in this House yesterday, in response to a question from the opposition. Our position has not changed, Mr. Speaker, and it will not change. We realize that our position is miles away from the American and European' positions. Changes have been taking place recently, and Canada is now somewhere in the middle. Based on a basic principle of physics, we are pretty confident that, if the parties are drawn closer together, they will necessarily adopt positions closer to our own, since we are in the middle. We will certainly do our best to make that happen. We will spare no effort, hopefully with the support of the opposition parties and the members of this House, to ensure that the Canadian position is recognized at the GATT. Because it is sensible, of course, but mainly because it reflects perfectly Canada's historical position as well as the farm producers' position.

As far as international trade is concerned, the Canada US trade agreement which has proven beneficial nevertheless confirms the need for constant vigilance. You know, the funny thing is that the members opposite who were against the Free Trade Agreement strangely enough keep pretty quiet when it comes to the Canadian agri-food industry. The reason is, Mr. Speaker, that agri-food products exported to the US have increased by approximately 30 per cent over the first two years since the FTA was implemented. More than 30 per cent, Mr. Speaker! Now, the deficit we had incurred because of the need to buy fruit and vegetables out of season, that $700 million plus deficit was brought down to $300 million by the end of last year which means that we had already done a lot of catching up as a result of our export increases.

• (1600)

It was constructive and positive long-term work because we need to ensure our farmers' income security. That is a long-term proposition. It does not involve temporary measures adopted *ad hoc* every year, not as part of an overall plan.

As has been said many times, we cannot help it that our competitiveness is an "in" topic in all regions of the country. We realized that despite the considerable efforts made in recent years, we had forgotten that Canada could not afford to lose its competitiveness. You cannot export or sell your products elsewhere in the world, even to another province of Canada, if you do not remain competitive. That holds true for the agri-food sector, Mr. Speaker. It is especially true for farming because we, western farmers in particular, will depend very heavily on exporting our products abroad, not only in the West but also in Ontario and Quebec. We are exporters. The strength and vitality of the Canadian economy has been its ability to export.

Mr. Speaker, it will not be possible to remain strong, to remain the exporting country we have always been, if we do not act quickly, taking drastic action in some cases, to ensure that Canadian industries are competitive.

Our competitiveness will depend on quality products that attract increasingly well-informed consumers. I believe that the markets have room for higher-priced upscale Canadian products in some cases. However, for the same quality, needless to say, lower production costs will always carry the day. To stay ahead, we must find ways to produce at lower cost and always remain on the alert to be ready to use the most efficient and productive methods.

Farming feeds the whole food-processing industry. Processing can be the key to success for the whole agri-food sector. If it can rely on high grade commodities produced at competitive costs, a creative industry can work wonders on the market and promote both production and economic diversification. It was the case, I remember, with the chicken industry and the poultry industry as a whole.

I think that about 40 per cent—give or take a couple of per cents—of all poultry products on the market today were not available just five years ago if they were produced at all. This goes to show that, owing to the vitality of that sector, product diversity was increased, products became more easily available to consumers and the needs of the consumers were better met. That is tomorrow's challenge, Mr. Speaker. When our log exports were frozen in 1985 or 1986, we ended up increasing our pork processing activities, therefore creating new jobs in this country to process the products, give them added value and export those products to the United States and to Japan. That is the kind of challenge facing our farm industry. I think that there is no two way about this. These are tomorrow's challenges. We should not delude ourselves in thinking that we can maintain the same farming system and keep our borders more or less closed forever. That is just not possible. We must use whatever means at our disposal—the quality of our products and of our workforce—to ensure we are capable of facing the challenges of the 21st century.

We will have no choice either but to support, in a creative way I might add, our Canadian agriculture where the marketing boards are very active on the domestic market. They too will have to adjust to new realities and, in many cases, to a shrinking market. To ensure our survival in that context, we will need high grade products and a greater sensitivity to market trends.

The point is, if only it could be conveyed to the entire nation, that the growth of our farm industry depends on the confidence the farm producers will have in their industry in the years to come, and their ability to adapt to new realities.

[*English*]

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I was very interested to hear the minister's comments. I would like to ask the minister this. A couple years ago there was the *Growing Together* paper and a number of task forces were announced which were going to change the face of agriculture. To date we have had just one piece of legislation, that being the GRIP and NISA farm income. Farmers across the country are very concerned about what is happening next, in particular with respect to farm finance and transportation. I think those are two of the areas that have caused a lot of concern.

I am wondering if the minister can say when we can expect some legislation with respect to farm finance under the *Growing Together* task force report and with respect to transportation. Is it going to be coming soon? There is a piece of legislation that is before the House that is going to limit spending in this country by 3 per cent. I understand that GRIP and NISA legislation are exempt from that bill, but what effect will that piece of legislation have on any farm finance or transportation bills that will be coming forth?

Mr. Blais: First of all, I would say that those two programs, GRIP and NISA, were designed by the producers themselves. In agriculture we have the chance to have three, four or five meetings of ministers of agriculture every year. We are in touch all the time. We met in Kananaskis, Alberta and in Regina last year. In Kananaskis in July the ministers and the deputy ministers agreed to look at transportation. Not the federal government unilaterally, it is not working that way. We are working together.

We received information on that. Not everyone agrees on how we should address the situation. What we want is a real consensus from all parties. The pay to producer formula has been raised. We do not have an agreement from all parts. We have different opinions from all parts of Canada. What we are trying to find is one way to deal with the transportation situation to ensure that by doing something in one region of Canada we are not going to put pressure on another region, or resolve a problem in one area and create another problem in another area, in Ontario, Quebec or even Saskatchewan. Some provinces do not prefer the same approach for those problems.

What we have to do is get opinions from the provinces, from the producers, groups of producers and work together to find a final solution. The work that has been done by the task force was very good and very helpful. We are still working on that. On the finance side I would say that my colleague, the Minister of Agriculture, will announce very good news for Saskatchewan today, but I will let my colleague—

An hon. member: It has been announced.

Mr. Blais: We have moved the headquarters of the FCC to Regina. That is good news for Saskatchewan.

• (1610)

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to question the Minister of State on that last point. He mentioned during the course of his speech that he did not believe in *ad hoc* measures and that he did not believe in benefitting one area to the detriment of another.

I find it rather interesting that there is a Saskatchewan election on the way and that very recently the premier of Saskatchewan announced his fair share program which moves jobs out of Regina and into rural Saskatchewan. At that time there was speculation that part of the deal was that his friend the Prime Minister would then move jobs from other parts of Canada into Regina to fill the void left by the moves of his friend, Premier Grant Devine.

I, and I think all my colleagues in the official opposition, find this playing ping–pong with peoples' lives to be rather cruel. It is a hoax that has absolutely nothing to do with good agricultural policy, and absolutely nothing to do with good management of the government. In his reply to my question which will come momentarily, the minister might want to tell us what the cost of this move is and how much of that money might otherwise be going directly to farmers. He might also want to tell us exactly why he and his minister and the Prime Minister are playing politics with peoples' lives in trying to buy Grant Devine's election.

Mr. Blais: Mr. Speaker, I am a little bit surprised that the hon. member would take such a partisan approach. Maybe the hon. member who just put the motion should have listened to what was said. We have tried to answer to the concerns of farmers all across the country. It would be better for them to talk to the provinces that have really not put their fair share of money into agriculture in Canada.

Look at the debt. We should be very proud of what we have done over the years, very proud because the federal government has put a lot of money into agriculture. If the hon. member would look at the data, the provinces did not really put in their fair share. In some areas, particularly in Saskatchewan over the last two or three years, a lot of work has been done to provide funds in order to answer the needs of farmers. I would say that the data speaks for itself. When more than 60 per cent of the loans are made in Saskatchewan, it might be a good decision to transfer the headquarters of the FCC to Saskatchewan.

If the hon. member thinks it is not a good idea, perhaps it is because she is from the Ottawa area. The hon. member has the right to her own opinion, but I think a good decision has been made for the farmers and for agriculture in Canada.

Mr. Vic Althouse (Mackenzie): Mr. Speaker, I appreciate the participation of the hon. minister in the debate and the brief outline of the government's positions on international trade.

He said that the Canadian tradition is reasonable. I was pleased to hear that because this morning we heard the view of the Minister of Grains and Oilseeds which was definitely anything but reasonable. He was not taking a position between the Americans and the Europeans as this minister describes the official government line to be. The Minister of Grains and Oilseeds was damning the Europeans outright and blaming all the trade war on the Europeans. He was ignoring the marketing facts, that 40 per cent of the grains market in the world is controlled by the United States. Only about 20 per cent, usually slightly less, is made up of sales from the dozen or more countries making up the European Economic Community and approximately the same by Canada.

The U.S. dominates the trade. They set the price.

If we are going to do anything about price, raining our damnation on the Europeans is not going to solve the problem. I hope that this minister will be a little more forthright at the cabinet table and make certain that some of the rest of his colleagues follow what he says is the government line once we get beyond the borders of this country.

When I hear him, it makes much more sense than when I listen to the minister for grains and oilseeds whose position makes no sense at all and defies reason.

Mr. Blais: Mr. Speaker, I would say to my hon. friend that we have been in that business for years and years. He knows very well that when I say that we are between the Europeans and the Americans, what I ment was that with the balanced position we have with the supply–management system where we ask to strengthen and clarify Article XI of GATT, we are put in the middle because we have some allies in Europe, in Asia and other areas. The Americans are very cold to the Canadian position. That is what I mean.

For the grain sector, I agree with the Minister of Grains and Oilseeds. Obviously, we have defended our position for years and years for the export subsidy war that we have. We all ask for those subsidies that destroyed our agriculture in the west to be put aside.

What I meant when I said that was that it put us in the middle. On the other side, the supply-management system is supported by the opposition and the whole agriculture community across the country. It put us in a more delicate situation and more in the middle. I do not want to be misunderstood.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, with leave of the House, do I have your permission to put a question to the Minister of State (Agriculture)?

The Acting Speaker (Mr. DeBlois): Is there unanimous consent to allow the hon. member for Gatineau—La Lièvre to exceed the ten-minute period for questions and comments?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): Agreed. The hon. member for Gatineau—La Lièvre.

Mr. Assad: Mr. Minister, in your answer yesterday regarding Canada's position on Article XI in the present GATT talks in Europe and our concerns in this respect, you said in concluding that until the government decided otherwise, it would defend Article XI. I would appreciate an answer from the Minister of State (Agriculture). Does this mean that despite any pressure from other parties, you still have a moral commitment to Canadian farmers to maintain this article which is extremely important for the agricultural industry? Do you have a moral commitment?

Mr. Blais: Mr. Speaker, I appreciate the question put by the hon. member for Gatineau—La Lièvre, and I would like to clarify Canada's position, because I know there are various rumours doing the rounds about Canada's position on Article XI. Mr. Speaker, Canada's position on Article XI is clear and has not changed one bit. We support Article XI. We want it to be clarified and reinforced, because its present wording, and everyone is agreed on this point, does not give us the kind of flexibility we would like for our marketing board programs.

The problem, Mr. Speaker—and I think it is useful to repeat this, since it is an important point—the problem is that among those who support this position in Europe and elsewhere, some parties may be more reluctant to support us. However, although some people might have changed their minds, this does not mean that Canada has changed its mind. We have not changed our position. We have no intention of doing so, but we must be vigilant, and I am sure I can count on the hon. member's support. We must be extremely vigilant to ensure that we can maintain a strong position in the international community among 99 or 100 other countries, a position that will be and that continues to be to defend Article XI and to reinforce and clarify it. That is where we are now.

• (1620)

A week or two from now I will in Geneva, Mr. Speaker, to meet the Director General of GATT, and I will also be meeting the President of the *Union des producteurs agricoles du Québec* very shortly, in Europe, to discuss this matter.

[*English*]

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I am pleased to join in this debate today which I think, without question, concerns a very, very important motion.

At the outset I think we should emphasize that this motion was passed in the Standing Committee on Agriculture in the last week in August. It was passed unanimously, which means that all members present and all parties supported this motion at that time. It disappoints me greatly that the Minister of Grains and Oilseeds this morning told this House and Canadians why today his party cannot support the motion. It makes it very clear that in the motion and in the statement following the motion, it would not be considered by anyone as a vote of non-confidence in the government. I think we should make it very clear that the government members said on August 28 or 29—I forget the date—they support the motion, but today they are indicating that when they vote on it next Monday night—I believe it is going to be a deferred vote—they are not going to support it. I think that begs the question of Conservatives, did they mean what they said at the standing committee or not?

Anyway, on with the topic. What we are talking about here, Mr. Speaker, is a very, very important industry. It is a wealth-creating industry in this country, and there are only four of them: fishing, farming, forestry and mining. Everything that we have, as I said before in this House, before us and used as Canadians comes from one of those basic natural resources. We go on with farming and with all of them. We provide for the needs of ourselves and our society from that. We have an industry here that is in bad trouble, a bad financial situation.

There are 425,000 to 450,000 Canadians involved in the industry. There are many total communities that are involved in that industry. At the present time, we have a tremendous amount of disappointment in the government and what it has said in the last two or three years and what has happened. The minister who just spoke said that the plans and the support programs that have been put in place for the future were done in conjunction with and with the assistance of the farming community, and indeed farmers themselves and their organizations. I agree, that did take place, Mr. Speaker. But when those groups were asked to come forward and take part in planning their future and come up with the right ideas, they were told and they were led and they were shown very clearly by the government that in the transition from our old *ad hoc* type assistance programs to agriculture to a new safety net program, that in that transitional period they would not be let down.

However, that let-down has happened. Producers in this country, primary producers in the agricultural industry, are asking the government to reconsider and to live up to that promise and that commitment, and that has not come forward.

That is why I am getting phone calls from farm suppliers. That is why I am getting phone calls from individuals, from farmers who say "Lyle, I took over my father's farm. My father had some savings and some equity in the business, but I cannot survive. My parents are putting more money into my business every year and now they are having everything they had disappear". In the meantime our food producing abilities in this country are going down the drain and closing up every day, day after day.

I just want to give the public some information to look at. Ontario soft winter wheat farmers this year got $75 a tonne for the wheat they delivered in August from this year's crop.

Last year I believe that was $115 per tonne or $120 per tonne. I asked how many people took that type of drop. If we just want to convert that to what the farmer gets out of that, in a 500-gram box of cereal which is said to be 100 per cent wheat, at $75 a tonne the farmer got less than 4¢ for the wheat that was in that box of cereal that probably sold for three dollars-plus in the grocery store.

In 1933, if we look at the figures, the price relative to what farmers are getting for their products compared to the cost of living and the cost of doing business today is as bad or worse than it was in the dirty thirties.

In 1933 it took about three bushels of wheat for a man to get a haircut. Today it takes five. I am using wheat, although I could use other crops, but that seems to be the one we use as a yardstick.

For an average retirement home in 1933 it took less than 7,000 bushels of wheat. If a farmer sold that, he could buy an average retirement home. In 1991, instead of less than 7,000 bushels of wheat, it will take 60,000 bushels of wheat. That is some comparison.

In 1933 the average man's dress shirt would take five bushels of wheat. You could sell that and go to town and buy a dress shirt. Today it takes 15 bushels of wheat. I could go on, but I think that brings home the point.

There is another matter. Farmers keep saying to me: "Lyle, we have concerns about the environment, but are we not a little bit out of whack? Where are we here?" We talk about sustainable agriculture and sustainable environment, et cetera. Yes, I agree with this sustainable environment and I promote it and I support it. But I maintain that unless an industry is sustainable economically, it cannot sustain the environment as well. If the industry is not there, so what?

I have farmers and individuals and other business people who have nothing to do with agriculture coming to me and saying: "Are we not a little out of whack?" In society today it takes between $150 to $200 to dump, or the term that is used is to "tip" a load of garbage. That is

on average what it takes to get rid of a load of garbage in today's society.

The Ontario farmer gets $75 for a tonne of wheat. As one chap said to me the other day, why do we not eat the garbage and dump the wheat? We cannot survive on that. Nobody can survive on that.

The other fact I want to mention is that the average farmer in Canada today feeds between 95 and 100 Canadians. That is their production. We are in an incredibly efficient, excellent industry. The average farmer feeds between 95 and 100 Canadians, while the farmers' spouses, be that the man or the lady in the house, goes out and finds work off the farm so that that farmer can afford to put groceries on the farm family's table. There is increasing difficulty in finding jobs out there in the rural communities, because we are losing jobs across this country.

We are now in a situation where the spouse cannot even go out and find that farm. As the minister of grains and oilseeds said this morning, the average farmer in Canada today has $6,300 left after they do their business in order to maintain their homes and in order to look after their families. We talked a lot about fairness this week. I do not think that is fair.

We are talking about interim GRIP payments coming forward. Yes, that money is going to be welcome, but it is not providing the transitional assistance for that one year gap until the GRIP and NISA gets up and running and does what we all hope it is going to do. There is a big let-down here.

What the government is saying is that it will make an interim GRIP payment this fall. That is the same as me saying to you that I know you are having difficulty making your November mortgage payments on your home this year, but I tell you what we will do, we will bring your next year's November cheque to you and you can have it this November to use. But just remember, there will not be a pay cheque next November.

So what we are doing and what the government is doing is saying that we are prepared to reach into next year, bring next year's income back to this year and hope that somebody looks after you next year.

I would just like to make one other statement before I sit down. We know there are a lot of farmers going out to meetings. In Lucknow, Ontario last week there were over 1,000 farmers out. In Miami, Manitoba last week there were over 1,000 farmers out. But I think it is summed up by a statement, and I will quote, from a Mr. Bev Hill, who is quite well known and well respected and a very clever young chap in Ontario, and I will close with this. He stated this at a meeting last week in Ontario and I think it sums up the feeling of the total farm community: "Our fields of dreams have become acres of anguish".

• (1630)

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to make a few comments. I too would like to participate in this debate, which I truly think is about the current plight of the farmers and what the government has for them in an emergency.

When we heard the minister telling us earlier that he would not take *ad hoc* measures, I wondered if the minister had understood the meaning of an emergency.

One imagines in a health setting that you know the diagnosis of the patient and then somehow something happens unpredictably and there is an emergency. You take an *ad hoc* measure. You take an emergency measure to avoid the imminence of death.

To the issue before us today, there is no doubt about the diagnosis. There is a crisis among our farmers. There is a shortfall of cash flow. The standing committee of this House on agriculture has made that ascertainment. So, there is no doubt about that. We, in fact, know the two fundamental causes.

First, because of the non-resolution of the international trade war. That, to me, is a failure of leadership on the part of this government for not being able to bring this forward to a speedy and complete resolution.

The second major cause is that this government has failed to have real, meaningful support programs for 1989 and 1990.

Just in my province of Manitoba, concerning the 1991 cash advance of over $300 million, I am advised that over $63 million is still outstanding, and you are asking the farmers to absorb the whole gross income decrease of 25 per cent in 1990 and a 30 per cent drop in 1991.

I would like to ask my colleague for his comments. What is the value of making a special grains payment at this time as an emergency to allow us a transition before

we allow the support programs to take their natural course of support. I would like to ask my colleague to please respond to that.

Mr. Vanclief: Mr. Speaker, I would be pleased to respond to that.

I think, without question, that requirement of that transitional payment is absolutely necessary. I recognize that during this time we are in a bad deficit situation as a country. Even in those situations there are emergencies, whether it is in our personal life or in our business. We are at a real crisis. I have farmed all my life and we are in a crisis such as we have never seen before.

The agriculture community went through a shake-down in the late 1970s and the early 1980s, part of which I went through. It was said then that we will shake it down. There will be some fall-out. The inefficient will fall out and what is left will be our efficient farmers and we will go on from there.

We are going through a worse shake-down than that. We are tearing families and homes apart. We as a House of Commons, as a Parliament and Canada as a country need now to make that decision. It is a very simple question. Is agriculture and food security, and I could go on and on, important to Canada or is it not? To me the answer to that is very simple. It definitely is, not only in the short term but in the long term. If we do not keep that industry and all the spin-offs through manufacturing et cetera that is involved with it, it will not be here for our children and our grandchildren.

This government and all governments like to talk about what we are going to do for our children and our grandchildren. I maintain, and I speak very strongly on this, this is one thing we had better do for those who follow us, maintain this industry.

Mr. Joe McGuire (Egmont): Mr. Speaker, first of all, I would like to thank my colleague from Prince Edward—Hastings for sharing his time with me this afternoon.

I am happy that the House of Commons has set aside the time to address one of the most important issues facing our country, the farm financial crisis. The crisis is not exclusive to the prairie provinces or to Ontario and Quebec. It also includes the maritimes in most sectors in the industry. It is a national crisis. It affects farmers in the agri-food industry right across this whole country.

There is a great deal of uncertainty in the dairy industry, one of our most stable sectors, because of the GATT negotiations and the rumours that have been emanating from Geneva. I hope that the mandate given to our negotiators is an inflexible one. Article XI of GATT must be protected and extended. The retention of Article XI is paramount if we are to keep our supply managed commodities, which guarantee at least the cost of production for the farmers involved in these commodities.

I urge the government to hold fast to the position of retaining and strengthening Article XI. It would be a sad day for Canada if our dairy industry was reduced to the chaotic state that the American dairy industry is, where bankruptcy is a very common occurrence.

I want to address my main remarks to the unfolding tragedy of the potato industry in Prince Edward Island and New Brunswick and especially in Prince Edward Island where potatoes have been the cornerstone of our economy since the colonial days.

P.E.I. basically has two wealth-generating resources, agriculture and fisheries. The health of these two industries is vital to our whole economy. We have no mining in Prince Edward Island. We have no rivers large enough to harness hydroelectricity and no gas and oil deposits. Agriculture is the industry which is most vital to P.E.I. and our table and seed potato industry is the most important sector of that industry.

We have long enjoyed a world-wide reputation for our seed and table potatoes. Our seed is in demand in Europe and South America, in Africa and Mexico, the United States and the rest of Canada. Potatoes growing from P.E.I. seed out-produced seed from any other source in the world, including Holland, the next most important source of seed. The potato industry has been an industry which has competed in a world market for many years virtually on its own.

If you are looking for an example of an agricultural commodity which is operated in a free-market system, the capitalist, international, non-subsidized milieu, you will find it in P.E.I. seed and table potato industry. Rarely, and only in times of world over-production and two-cent a pound potatoes, have Prince Edward Island producers looked for government assistance in order to survive.

For the most part, the industry has competed head to head with the world with little extraordinary assistance from the Canadian taxpayer.

P.E.I., Canada's smallest province, competed against a nation, the Netherlands, in seed quality, and won.

The victory was not won overnight. It took years and the efforts of generation of farmers to achieve this position. It took support from Agriculture Canada over many years in developing new seed varieties, identifying new markets, inspection and protection services. It took many years of support from the provincial government which augmented and facilitated the efforts of the farm community and Agriculture Canada.

This combination of ideal soil and environmental conditions, with industrious, progressive farmers, who are committed to quality, disease-free stocks, in co-ordination with governments, has enabled the potato industry in Prince Edward Island to withstand the ups and downs of a very volatile industry. There were many poor years, and fewer good ones, but enough to sustain the industry over the long term.

But this scenario has been brought to an abrupt halt with the discovery of the potato virus Y-N strain in our potato crop. There is zero tolerance for this virus in North America. This discovery has closed the door to the exports of our potatoes to our largest markets, the United States and the rest of Canada.

Europe, which has had the disease for over 50 years, has established a tolerance level for the virus which has enabled the European community to live with the virus which they had to do because its elimination and eradication was impossible.

I must remind the House that the potato virus Y does not affect human beings in any way, shape or form.

• (1640)

All potatoes have the PVY virus of one strain or another. The problem with the potato virus Y-N strain is that it is deadly to tobacco. It destroys tobacco.

The transmission to the Americans of the information that P.E.I. had PVY-N resulted in the immediate closure of the American border to P.E.I. seed. The embargo was soon extended to include table stock unless sprayed with a sprout inhibitor. Canada, after protesting to Washington about how unfair this was, followed the American example and closed Canada's borders.

These actions, of course, brought the potato industry in Prince Edward Island into chaos.

The lack of time prohibits me from going into a step-by-step unfolding of the drama to this point in time. It is sufficient to say that an eradication compensation program was put into effect for the 1990 crop in an effort to contain and eliminate the disease. A massive leaf testing offensive was put in place for the 1991 crop. Millions of leaves were tested in P.E.I., but considerably less testing was done in other provinces.

Ninety-six new cases of PVY-N were discovered in Prince Edward Island, ten in Ontario and a few in the other provinces.

PVY-N was said to be found in varieties which were PVY-N-free last year. The eradication program for the 1990 crop seemed to have been a failure, that is until the validity of Agriculture Canada's testing methodology was brought into question.

Independent scientists have brought into question Agriculture Canada's methods and results which, if proven correct, means that there has been a misdiagnosis of the virus.

Agriculture Canada's 96 positive cases may not be PVY-N at all, but rather a fusion of other PVY strains which can produce the same result when swabbed on tobacco leaves.

As one commentator said, the Island was ploughed down for nothing and its main industry destroyed. This whole sad tale has produced a whole series of questions which have not and may never be answered.

(1) If PVY-N was rampant on Prince Edward Island, why has there been no infection of the P.E.I. tobacco crop, no infection whatsoever? Our tobacco producers have absolutely no fear of infection saying that if there are PVY-N infected potatoes, a regular spray program will take care of the aphids.

(2) Where did the PVY-N virus come from in the first place? How was it introduced to Prince Edward Island? One thing is sure, this government with its centralization program and taking scientists and virologists from the provinces to Ottawa only means that it will be easier to have diseased stock coming into this country in the future.

(3) Why has the state of Maine been able to dictate to the USDA and Agriculture Canada on the lifting of the border restrictions? Maine has tried for years to prevent P.E.I. potatoes from entering the state or passing through the state. They have tried anti-dumping procedures and border harassment. You name it, they have tried it and have failed.

Maine was losing out badly to Prince Edward Island and New Brunswick seed and table producers, and indeed to table producers from the western U.S. states. They failed to keep up with advancements in the industry and their products could not compete.

As far as Maine is concerned, the PVY-N crisis is the best thing that has happened for them in years, and they do not mean to let go. They and Senator Mitchell are calling the shots on this one, and our government does not have the political or moral courage to take them on.

(4) Are Agriculture Canada's testing procedures up to date and accurate? Other scientists think not and, if proven correct, this could be the cruelest cut of all. It is possible that the whole problem has been blown vastly out of proportion and the reputation of P.E.I. potatoes and Agriculture Canada has been destroyed.

(5) Why has the United States not tested for PVY-N? After all, if we have it, they have it because we have been shipping potatoes into the United States since the time we are told it was first discovered in P.E.I. in 1987. Therefore, they have PVY-N if we have it. As long as the United States does not test—they say they do not have it—is this really logical? If we both have it and it cannot be eradicated, why not strike a tolerance level?

(6) Why has it taken so long to get the 1990 compensation cheques issued? Why are there no forms for the 1991 compensation claims?

How would you, Mr. Speaker, or any of us in this House like not to have been paid during the past year? These farmers are living on bank loans for over a year. This must be corrected.

To conclude, I want to make a few remarks about the farm financial crisis in general.

It is a fact that our farm debt is $24 billion. Interest on this debt at the rate of 10 per cent is $2.5 billion. That means the over $2 billion the government bragged it is going to put into the farm sector this year is merely going to pay the interest on the farm debt. The only ones really getting paid are the bankers.

Mr. Speaker, thank you very much. I would like to say a few things more, but you have indicated that my time is up. Thank you.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my colleague from Egmont and the speaker before him have demonstrated how productive farmers in general are. There is no doubt about that. In turn, our colleague from Prince Edward—Hastings described production, past and present. There is no doubt that they are indeed very productive.

I have a question for my colleague at this point. About the answers the Minister of Agriculture and the Minister of State (Agriculture) provided yesterday, the problem is that farmers or producers are requesting protection. We know that agriculture has become as important as national defence. There is no doubt about it, we cannot rely on production from abroad as regards agriculture. We must be self-sufficient. That is a steadfast rule. Here is my question. The Quebec UPA made several representations and, contrary to what I was told in both answers I received yesterday, they asked for our borders to be protected so as to prevent dumping. According to the UPA, the former Minister of Agriculture, the hon. Eugene Whelan was a man of great convictions. I was told that he was the father of joint programs. He is. However, what Canadian farmers need right now is protection.

So, I ask my colleague: is protection provided for in joint programs, is there a moral commitment on the part of the government or is it just left open in the free market? We suggest that government involvement is required to keep the market in line. However, would the government not endanger the Canadian farm industry by claiming that the best approach is to force farmers to produce beyond their capacity?

[*English*]

Mr. McGuire: Mr. Speaker, one thing is certain. That is if Canada continues on its present road, it will not be self-sufficient in food, while at the same time the Americans have made it much easier for their farmers to become more productive and to shed their burden of debt.

For example, the Americans have set up a system which includes debt forgiveness and they have restructured their debt forgiveness procedures putting their farmers at a considerable advantage over ours. They have, over the long term, come to the conclusion that the debt load their farmers were carrying was just too heavy. They took the attitude that the situation in the United States was like an airplane flying at 30,000 feet which was absolutely certain to come down. The choice was whether it would have an easy glide and a fairly soft landing, or it would crash. These are the same options that our government has today. Is it going to make the landing a little softer, or is it going to let the agricultural community crash and be destroyed, thereby making Canada reliant for her food resources on other countries?

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, I just wanted to take the opportunity to compliment the hon. member for Egmont, from my province, for his comments on this very serious issue.

An hon. member: Hear, hear.

Ms. Callbeck: I especially appreciated his comments on the PVY-N virus, the crisis we are having in our province at the present time.

• (1650)

I know my time is limited so I just want to mention one thing that the member referred to, and that is the compensation claims that the potato farmers have made for their 1990 crop. Four hundred compensation claims were sent to the government and at present only a hundred of our potato farmers have received any money. That seems like a long time to wait for the money, and certainly it is putting many farmers into very serious financial problems. I think it is very unfair for the government to expect farmers to wait this length of time and I would call on the government to do everything possible to speed up this process.

Mr. David D. Stupich (Nanaimo—Cowichan): Mr. Speaker, I think it is worth while to review the resolution: "In view of the desperate financial cash flow crisis facing Canadian grains and oilseeds and horticultural producers the House of Commons calls on the Government of Canada to consider the advisability of providing cash assistance that would have been provided under the Gross Revenue Insurance Program and the Net Income Stabilization Account, had they been in place for 1990-91".

I read that resolution to remind members in the House, all 295 of us, that we are not instructing the government, that is the cabinet, but we are simply asking it to consider the advisability of helping at this time. That is why various members have expressed their disappointment that the Minister of Grains and Oilseeds chose to say that this was considered by the government as a matter of non-confidence. He said that the rules and the procedure in the House required it to be so. However, the Speaker at that time did not rule that way. The Speaker at that time, quoting from one of the books of authority—and I do not recall exactly which one—said that the government can decide whether a vote is or is not a vote of non-confidence. This leads me to believe that the minister at that time could have said: "We agree, it is not a vote of non-confidence, we agree that it is simply advising the cabinet of how the members in the House feel; that they think it is an emergency and that they think it is an emergency that can be helped by a cash infusion at this time and that we think it is proper that cash infusion be made at this time".

However, presumably the minister, on behalf of cabinet, did not want the members to be able to vote that way. What he was really doing when he said it would be considered a vote of non-confidence was reminding the members on the Tory side of the House that they would be required to vote against this resolution when it comes to a vote. He did not want them to have the right to vote for it because in committee they expressed that right by voting for this very same resolution. He did not want them to have that right in the House.

One can only wonder why. One can only hope that the government does have plans to make this kind of cash infusion. One can hope that it is going to use it for political purposes just as it did five years ago when it approved during an election campaign in Saskatchewan a cash infusion of one billion dollars under similar circumstances one week before the farmers went to the polls and voted, along with the other voters in Saskatchewan.

Let us hope that it has the same plan in mind this time and that some time during the election campaign, which is to be announced momentarily just as it is in B.C., the government will decide: "Yes, it is just and proper that we help the farmers not just in Saskatchewan but all over Canada at this time. So we have decided that we are going to make this kind of cash infusion". That it will happen one week before election day is perhaps fortuitous for the Tory government in Saskatchewan but even more important for the farmers, in particular the wheat producers, in that province. Farmers all over Canada are

suffering in the same way, and the resolution speaks of them as well.

The Minister of State for Agriculture toward the close of his remarks—he did not say it really—hinted that there was going to be an important announcement in Saskatchewan. When he was told that it had already been announced, then he said: "This is certainly going to please the farmers of Saskatchewan".

I am talking about the just announced move of Farm Credit Corporation to Regina. This is supposed to make the farmers happy. I do not know what it is going to cost to make that move. We have heard of other government agencies moving. Here is another one. Is it going to cost $5 million, $50 million, $100 million? We do not know at this time. We have not found out yet what it is going to cost in total to move the Energy Board to Calgary.

At a time of restraint, to put those millions of dollars, however many they are, into moving an office, when that money could be used to good effect to help the producers seems to me to be a poor example of restraint.

It was suggested by my colleague, the hon. member for Mackenzie, that perhaps the reason that Farm Credit is moving to Regina is because it would be much more efficient for them to deal with the foreclosures of farm properties in Saskatchewan if they are right there on the scene. One wonders just why at this particular time have they decided to spend money on that kind of a program as opposed to doing something productive and proper to help the farmers in Canada at this very bad time.

A farmer's life anywhere in Canada is not a happy one. I think I am paraphrasing a line from Gilbert and Sullivan when I say that. There was discussion earlier today about marketing boards and about supply management.

The supply management farmers generally have it easier than the others, but even they do not have it easy. They do not know what they are going to get for their product, but they have some control over the selling price to the producer as opposed to the example given by the member for Prince Edward—Hastings. He said that a $3 box of cereal might return four cents to the producer.

There is one interesting thing about that that he did not mention. That is that everyone other than the producer gets a fair return for his or her labour. The only one who does not get anything near the cost of producing that grain is the producer. Everyone else gets it because they have a guaranteed mark-up. Right up until the time that the consumer purchases that box of cereal, everyone gets a mark-up, everyone other than the producer because the producer has no control over his or her price. Everyone else has that control.

With supply managed products the producers generally have enough control that they do get the cost of production out of it. It is the one area in agriculture where consumers are paying what it costs to produce the product. In every other area of agriculture the producers do not always get the return equal to the cost of production or anything near it.

Certainly that applies to the grain growers, it applies to fruit growers, it applies to horticultural crops generally where there is not this protection that is afforded to those farmers who are able to engage in supply management.

Even with supply management, farmers cannot be sure of getting a decent return. They are fighting the elements. It is said that Canadians have a higher per average cost of energy than people in any other industrialized nation in the world. We do live further north. It does cost more for energy. We need more energy in almost everything we are doing.

The Minister of State for Agriculture talked about the efficiency of Canadian producers and that is true. They are very efficient. We are very efficient.

Mr. Speaker, I know my time is about up, and I will just say this. Of all the people in the community who cannot have any control over the selling price, the producers are the ones that at the present time need this cash infusion. The government is abandoning its responsibility to a large section of the community when it says that its own members will not have the right to simply advise cabinet at this time. This responsibility should be recognized by letting the members vote and give the cabinet this kind of advice.

• (1700)

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I want to thank my colleague for his address. Having listened to his as well as to a number of other statements in the House today with respect to the farm situation, the farm crisis, and addresses by my colleagues from Winnipeg—St. James and Essex—Kent I suspect that the Minister of Grains and Oilseeds will not want to go to the Brandon farm rally tomorrow. I wonder if he will want to go to the rally that is going to be held in Winnipeg in October. Some members will know of the rough ride he had in Melita, Manitoba, just roughly a week ago.

My question, however, is why the government is unwilling to support this particular motion. It is not a motion of confidence. It is one it could support if it chose to and still continue to sit as it does and be the government.

I want to make sure that I understand the points that he made. First of all, if I have understood him correctly and interpreted his comments accurately, the hon. member is saying it would be afraid of the support this motion would get from its own members, from the members of government. The minister would then realize that his own members support this kind of emergency assistance. Of course, once that vote had been taken the farmers would have clearly proven the point.

There is, in a significant sense, politics being played here. Is there not? I wonder if my hon. colleague would care to respond to the remarks I have made and to the questions I have raised.

Mr. Stupich: Mr. Speaker, I said earlier that I am hoping the reason the cabinet is reacting this way is that it believes there will be a resounding vote in favour of this resolution if all the members were able to vote.

That would eliminate the surprise and political advantage if it were announced here and now. If the government acted positively to that request, it would be acting in response to a united vote from the House, from all three parties, all saying it would be a good idea. However, it wants to be able to wait until the election campaign is well under way and at the most auspicious moment from the point of view of re-electing the Conservative government in Saskatchewan then announce the same kind of program it announced five years ago, a $1 billion or $2 billion program to help the farmers. For partisan political reasons the government is instructing its own members to vote against this resolution today so the cabinet can make it public some three or four weeks from today.

Mr. Rod Laporte (Moose Jaw—Lake Centre): Mr. Speaker, I thank my colleague for his remarks. I would like to focus on one comment he made with respect to the comments of the Minister of State for Agriculture regarding the movement of FCC workers to Regina. In fact, it was his response to a question I had placed before him about farm finance.

We have had a bill presented on GRIP and NISA which deals with farm income but there is still great concern about farm finance. When I asked the minister what this government would do about farm finance or when we could expect something on farm finance, he said there was something happening today with respect to FCC.

I would like to ask the member, who was a minister in British Columbia, how the move of the head office and some employees to Regina at the cost of a few million dollars is going to make farmers happy and make them feel more comfortable with their financial situation and the fact that there is not going to be another dime put in their pockets. How does he think the farmers will react to moving the head office of FCC to Regina?

Mr. Stupich: Mr. Speaker, I can only anticipate that the farmers will be very disappointed when they hear about the resolution that has been debated and is still being debated in this House today, when they see us vote on it and the government members defeat it.

I am very disappointed that the government feels proud about spending another *x* millions of dollars to move an office from one part of the country to another when it could have been spending that money in announcing a program to help the farmers who are desperate for that kind of assistance. I expect they will be disappointed. I hope they will react properly when they get the opportunity to vote.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Madam Speaker, it is a pleasure to rise today and speak in favour of this motion which is asking for a third line of defence cash assistance on an emergency basis to

provide certain levels of support to the farmers who are facing crisis in Canada.

Although the concentration so far has been on grains and oilseeds, the resolution also refers to other horticultural producers. It is some of those other horticultural producers that I hope to speak about and bring to the House's attention. Although in Canada we have a concentration on the bread basket of Canada, being the prairie provinces, and our grains and oilseeds area, a very important sector of our community, we often have a tendency to forget that there are other pockets of agriculture and horticulture throughout Canada, areas such as the Okanagan, Similkameen, the Nicola Valley and Merritt area and the boundary country of which I am the representative. There are also areas in the Niagara Peninsula and Annapolis, fruit-growing areas of this country and the cattle areas of this country.

We know that the producers of grain on the prairies are hurting. This is in response to that. However, I am here to tell this House and the people of Canada that people in my area, the grape growers, the fruit growers, cattlemen and women, farmers of all stripes and descriptions are hurting. They are looking for help and guidance. They are tired of the bankrupt ideas of this government and governments of similar ilk who continue to tell them not only to make it on their own but continue to turn their backs on them in their time of need.

In my area we have just come through the second summer after the free trade agreement and have seen some of the problems it has created. It may perhaps be only a perceptual problem but a problem nevertheless. Last summer, for instance, the cherry growers in my area witnessed a massive dumping of product from the United States into Canada at well below production cost not only in Canada, but well below the production cost in the state of Washington. Although there was not that much of a benefit to the Washington growers, they perceived that because of the free trade agreement they had a new and open market. They gave benefits to their purchasers that the growers in Canada could not touch.

We witnessed toward the end of last summer and throughout the fall and winter acres of cherry trees being ripped out. This was just directly after, in my area, watching approximately 2,000 acres of vineyards being ripped out as a result of the free trade agreement and GATT rulings.

Over the past year I personally have watched some young farmers, up and coming, advanced, enthusiastic farmers, losing their enthusiasm for the land. There is not a farmer out there who can make it on agriculture alone. Either he, she or the spouse has to go and find another job in order to try to make a little extra money to keep their families and pay for their mortgage. When you are a farmer, it becomes a labour of love as opposed to a way of making a living.

• (1710)

I have watched these young farmers not only lose their interest in the land but turning their backs on the land, letting the banks take it back or trying to sell it. That becomes a very great problem also, because right now it is often difficult to sell 10, 15 or 20 acres of orchard land because everybody knows you cannot make a living as a fruit farmer.

There are things this government must do. We must face up to the reality that we want to continue to be able to produce food in Canada. Most Canadians want to ensure that we have a viable agriculture industry. We have to look at short-term benefits for these farmers as set out in this motion, not just to the grain farmers, but to other farmers in Canada, the fruit farmers, the grape growers and the cattlemen.

Lately in the fruit farming area they have run into low prices. They have run into the usual things farmers can expect, inclement weather, massive destruction as a result of hail; low crops in some cases because of a late spring and a freeze-out of various crops or a very cold winter during which a number of farmers lost trees.

The farmer is told to get up to date on what is being sold. In British Columbia they were offered $3,000 for each acre of replant, but it costs anywhere up to $11,000 or $12,000 an acre and they are told by the banks that they are not good risks. Well, where do they come up with the money to improve their lot, to ensure that they have a product that meets the needs of the market?

I spoke recently to a farmer from Oliver, B.C., and he told me how he has over the last little while diversified into a number of different apple crops in order to get a higher price. But the cost of that is enormous.

The Minister of State for Agriculture has talked to us about competitiveness, yet these farmers run into problems with the high cost of borrowing and the high cost of storage. In order to get a higher price for their product they have to have conditioned atmosphere storage, the cost of which is enormous. Again, they have to borrow money. With the various problems in marketing, they are having difficulty repaying some of these loans.

Whether we look at it in the short term or the long term, the agricultural industry in Canada is in major difficulty. They need a hand this year to assist them to pull themselves up by the boot straps so they can live to fight another day. Just as important, they need a government that is feeling and sensitive to what is required in the long term.

In our area it is education. The farmers need assistance in running their farms as a business. They need education in new and upgraded methods of agriculture. They need the time and ability to get that education. They need the assistance in investigating new markets. Although they have to be expected, to some extent, to find some of those markets, they have to be given proper assistance and show of support by this government to find those markets.

I cannot emphasize enough how important this particular motion is to the farmer, because of its over-all look at agriculture and the long-term needs of this country.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I welcome this opportunity to take part in today's debate on a motion asking the government to assist the Canadian agricultural industry. This afternoon, I would like to raise a few points in connection with grain production and subsequently, I intend to discuss the present and future status of GATT talks. Finally, Madam Speaker, I think I should tell the House about some rather depressing events in the agricultural sector in Glengarry—Prescott—Russell.

Madam Speaker, this has been a difficult year for Ontario grain producers. For instance, the price of corn, soy beans and wheat is 35 per cent below what it was last year and 45 per cent less than the 15-year average. If the prices of these commodities remain uncharged, Madam Speaker, Ontario farmers alone will suffer a $175 million shortfall this year, compared to last year.

[*English*]

I have before me a chart. It compares the cost of corn flakes with the price of corn. In 1980, corn sold for 15 cents a kilogram. Corn flakes sold for $2.21 a kilogram. In 1990, corn sold for 14 cents a kilogram, less than 1980 by 1 cent. Guess what happened to the price of corn flakes. It jumped from $2.21 to $4.28. In other words, while the price of this particular product to farmers was decreasing, the price to the consumer doubled.

Canadians have reason to complain about the prices, but it is not the farmers who are getting the money. Of course, notwithstanding the fact that some of those middle people are getting more than their fair share, we still manage to have the second lowest food prices as a proportion to our income of any nation on earth.

[*Translation*]

On August 29 this year, the hon. member for Algoma moved a motion at an emergency meeting of the Standing Committee on Agriculture of this House. In his motion, the hon. member asked the government to provide emergency assistance to grain producers, starting this year, because there would a gap between existing programs, or rather programs that existed until quite recently, and the new programs that will be introduced next year.

We need an emergency program during the transition period. As I said earlier, the hon. member for Algoma moved a motion asking the government to take this kind of action, and of course, the committee adopted the motion unanimously. And I congratulate members on all sides of this House, the Conservatives, members of our party, and all the others who voted, asking for government action. So far, however, no answers have been forthcoming.

[*English*]

We have a few more problems on the horizon.

• (1720)

Canadian farmers are very worried about what the Government of Canada intends to do at the GATT negotiating table. As you know, we are presently in the so-called Uruguay Round of the GATT negotiations. In this round, there is tremendous concern, and rightfully so, about the price of agricultural commodities, prices which have been deflated as a result of the subsidy war

between countries, more particularly the EEC nations and the United States.

Canada has been the victim of this. Canadian farmers are afraid, and I think they have every reason to be concerned, about the future of Article XI of the GATT agreement. Article XI presently permits supply management in agriculture. In simple language, it permits farmers to have quota systems where they wish to have them as producer organizations.

The negotiating team right now before the GATT is having discussions. That team was brought before the Standing Committee on Agriculture yesterday. Members of Parliament tried desperately to obtain assurances from our negotiating team that we had not offered to sacrifice Article XI of the GATT in exchange for something else.

Despite the best efforts of all MPs from all political parties, no such assurance came forward yesterday. I can tell you that I am very concerned. Usually when someone refuses to tell you something, there is a good reason for it, and I am very afraid about the future of Article XI.

Two members yesterday, the member for Haldimand—Norfolk and the member for Gatineau—La Lievre both asked in this House for the assurances of the government that Article XI of the GATT would be protected and strengthened. Do you know the answer they received? The Minister of State for Agriculture said, roughly, as follows: "There will not be any changes until we announce that there are changes." Well, that is a great reassurance for the dairy farmers of Canada.

The government has to announce clear policies, and has to assure the farmers that Article XI will continue and will be enhanced and not be done away with.

[*Translation*]

Madam Speaker, finally I would like to raise in this House a tragedy that happened in my riding about an hour ago. A reporter told me that a slaughterhouse in my riding, Viandes Saint-Isidore Inc. of St. Isidore de Prescott, Ontario, was closing down tomorrow, resulting in the loss of 40 jobs.

This company slaughtered about 5,500 pigs a week, Madam Speaker. At the end of the day today, while we are making speeches in this House, slaughtering operations will cease in St. Isidore. Tomorrow evening, the factory will shut down completely. Of course, in my riding, with such a high unemployment rate, this bad news will be very hard for us to take.

In this case for once, at any rate, it does not seem to be due to free trade or something like that, but other government policies influenced the outcome, such as the policy of too high interest rates that hurt this company. Of course, there were other problems along the way.

But, Madam Speaker, it would be important to point out the price of farm products again. As I did earlier with corn, I will compare the price of bacon. Once again, I have here in front of me a diagram that compares prices in 1980 and 1988. In 1980, bacon sold for $1.30 a kilo—that is the price the farmer received. In 1990, he got $1.38 and today, as we speak, the price is about the same, $1.38 a kilo. The consumer, however, paid about $5.54 a kilo in 1980 and now pays about eight dollars. So in 1980, the consumer paid about four times what the farmer got. Today, it is more than six times. We need help for agriculture, Madam Speaker. I hope that the government will listen to the needs and for once try to help Canadian farming.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I congratulate my colleague once again on addressing the issue with specifics. I want to ask him a very specific question. One of the problems of those of us who spend most of our time in urban markets is our lack of information on the specific reasons why we have a farm crisis in this country. Many times today we have referred to the problems being caused by the European Common Market approach to agriculture and the tremendous subsidies.

Does the hon. member not think that as part of our strategy to win support for correcting this problem in the long term might be to develop a communications plan explaining this problem that is happening in rural Canada, in agriculture in Canada, which goes beyond that community itself? In other words, we go into the major markets not only here but also in Europe and explain exactly how these subsidies are putting our young farmers and our experienced farmers out of business.

Maybe through that kind of process we might get a more rational approach to the subsidy program that is being handled all over the world. I wonder if the hon. member could speak to that.

Mr. Boudria: Madam Speaker, I thank my colleague for his question. My colleague comes from an urban riding. One thing that I appreciate particularly is the fact that he as an urban member is always here when we are discussing agriculture. Whereas I cannot speak of the presence or absence of any member singularly, I must tell you, Madam Speaker, how pleased I am when members who are from urban areas take that kind of an interest. That is the first step and I congratulate him for it. I wish all members had that same kind of interest.

Our colleague, the hon. member for Lambton—Middlesex, produced very good documentation about how in fact farmers are not getting their share of the revenues of agriculture. I for one will be putting out a householder to my constituents shortly to explain just the discrepancy, just like I described for the price of corn and the price of hogs how the discrepancy between what the farmer is getting versus what the consumer has to pay and how it is progressively getting worse. We must continue to say that to all Canadians so that they understand.

We must do it not only in our agricultural constituencies. All MPs should do this across Canada. As well I think it is the duty of our government to try to make other nations understand what it is that we are doing. Effectively what we are doing is we are whipping each other with our dollars. That is what we are doing. We are completely inundating the situation with subsidies.

Farmers in other countries, particularly the United States and the EEC, are receiving huge subsidies. Those subsidies of course benefit nations which then purchase those commodities. It is unusual to see, for instance, that countries, what we used to refer to as eastern bloc countries, are buying food that was subsidized by the countries of the west because they are arguing with each other as to who should have the so-called rightful share of the market.

• (1730)

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I just want to remind the member that in his comments about Article XI and our Canadian position at the GATT talks, the minister, if he would recall, was very adamant yesterday on the position of the Canadian government and our position there. I would just like to read part of that answer of yesterday.

> The Government of Canada has stated, as my colleagues have, its position on Article XI. We are not talking about weakening Article XI. What we have asked for, and what the policies of this government is, is that Article XI should be further clarified and strengthened. That has not been changed—

That is the position of the Canadian government. I would not want the message to go out from this House of Commons that that has been changed. We do support it. We have been consistent. This has been developed with the producers in consultation with the stakeholders of that industry and with the government as to how that position was developed, and that position has not changed.

Mr. Boudria: Madam Speaker, I will only read the following sentence. It goes like this:

> That has not changed and will not change until the government says it will change.

That is the assurance that the minister gave yesterday, and it is not good enough.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, the last few words of my friend here relate to one of the questions I wanted to ask the Minister of Agriculture. Yesterday, I and my colleague from Ontario asked for assurances from the Department of Agriculture that the government is committed to preserving quotas and defending, strengthening and clarifying Article XI of GATT which deals with quotas which impede the free market, etc.

Madam Speaker, if you look at the history of agriculture in Quebec, it is the whole history of Quebec you are looking at. In 1950—and this is not very far back, I am quite sure that most members here recall those years—there were 240,000 farmers in Quebec. Some 40 odd years later only about 45,000 are left. It is true that the average productivity has increased tremendously, much more than it was thought possible 40 years ago, nevertheless, agriculture remains one of the extremely important elements of a nation. No nation wants to depend on another for its daily bread. All want to be sure that their agriculture is in good health. One has only to look at the Common Market, where there is a real agricultural war,

if I can use that expression, where all the members want to protect their farm production.

Here in Canada, we created, under the previous government, a system of quotas for milk, pork or other commodities like grain. This is extremely important for our farmers and for the farmers of Quebec. We had a system which was more rational, where the government could intervene not to control the market but rather to discipline it, make it more human, if I can use that expression. There are three elements, for when you talk to farm producers, and I very often had discussion with them on this question, they say that there are three fundamental principles. The first, according to them, is that you must always have the guarantee that borders can be controlled, that is to say that you can prevent dumping on your own market. You know that all sorts of explanations are used, like globalization, etc., but you would be surprised to learn that, when they use the term "globalization", other countries make nice sentences, speak of productivity, and so on. All countries, of course, have ways to protect their own market. One must not be fooled by these words, but look at the reality.

There is one more thing that must be protected in the farming industry, it is the fact that Canadian producers—and I know the situation of farmers in Quebec—have always wanted a form of protection which I always considered as totally realistic and that is to guarantee their production cost. That has always been, if you will, their basic argument.

If a farmer could be sure from the beginning to recoup his production costs, he could survive, and someone would take over after him. That argument is familiar to all of us, except that, to this day, our neighbours in the South have never really applied the program of quotas.

I heard on the news that milk producers from the State of Vermont, will meet in the coming weeks. They even made known their intention to carry out some form of strike because Vermont farmers, mostly milk producers, have benefitted from a quota system similar to the one we have in Canada. Obviously, Madam Speaker, I wish them great luck. It will be a start. They will make Americans aware that a quota system which guarantees production cost recovery is undoubtedly a sensible thing.

But that is where a moral commitment is needed with all this argumentation by the government, with the answers that the Minister of Agriculture gave us when he said: "As long as the government does not decide otherwise, we will keep protecting Article XI of the GATT." But during the consultations known as "Growing together", a leader from the *Union des producteurs agricoles* pointed out to me that they had been consulted on that issue. We surely want a growing agriculture, not only in Quebec, but throughout Canada. But they said that they never felt that their production costs were guaranteed. And I think that we should address that issue. Farmers do not have that guarantee. We hear about productivity almost every day. But if farmers are not sure of getting back their production costs, if they are subject to the law of the jungle, as it is the case in the United States—When you consider that over 100,000 farms have been lost in the last few years in the States, you get an idea of how the big multinationals came into the agricultural world. They are literally quashing the family farm in the United States. However, here in Canada, we have a different way of seeing things.

We would like to have a guarantee, a moral commitment from the government, that we will not expose our farmers to the law of the jungle. We would like to offer them the support that is vital for the survival of agriculture, and that is what we would do by ensuring them the production cost. If it is impossible to give them such a commitment, that in my view is a moral one, what future can they hope for in farming?

• (1740)

That is basically the question we are asking in this House. If the Minister of Agriculture, his Quebec counterpart and the Minister of State for Agriculture would provide an answer, I am sure farmers throughout Canada, and especially in Quebec, would be very happy to have it.

But the two answers we got yesterday are not enough. We want support for our farmers, not just for today, but for the future, especially to assist the next generation.

Madam Speaker, I will ask again the Minister of Agriculture and his colleague, the Minister of State, to make a moral commitment to really support our farmers,

to ensure they cover their production costs, since we know that our farmers are efficient and productive.

[*English*]

Mr. Foster: Madam Speaker, on a point of order, there are a couple of conversations around the House. The hon. member for Beaver River has not had an opportunity to speak.

I wonder if there might be agreement among the parties and the members to allow her 10 minutes. Most of the speeches this afternoon have been that length. We might just not see the clock for 10 minutes to allow her to make her speech. Then, we can proceed with the regular proceedings of the day.

Mr. Cardiff: Madam Speaker, we would agree to the recommendation that the member for Beaver River be allowed to speak for 10 minutes and then, as the member suggested, proceed with the normal closing of debate.

Mr. Laporte: Madam Speaker, in the spirit of co-operation we certainly would be willing to let the hon. member for Beaver River have 10 minutes.

Madam Deputy Speaker: I see that there is unanimous consent. Do I understand that we forego the period of question and comments following?

An hon. member: Yes.

Madam Deputy Speaker: We will not see the clock until 5.50 p.m.

Miss Deborah Grey (Beaver River): Madam Speaker, I would just like to thank all parties for allowing unanimous consent for me to carry on. Surely that, if nothing else, is a good example to the Canadian public who is watching that this place can work and we can work together effectively.

I would just like to put on record some of the Reform Party's policies regarding agriculture because I heard some comments in statements this afternoon and also in Question Period by the member for Portage—Interlake and also the Minister for Grains and Oilseeds reflecting the fact that I should perhaps answer the questions in Question Period on behalf of the Reform Party.

There are policies, facts and global things that are happening that we simply cannot deny. What we need to do is be very frank and honest in admitting that some things are happening around the world that we need to be very clear on and realize that they are happening.

First, I would say that there is an increasing need, both internationally and domestically, to reduce rather than increase government subsidization of agriculture due to the inability of governments and the community at large to finance such subsidization in the long run.

Whether we like it or not, because of our national debt and the way things are going around the world, this is the way things are happening. We have to agree that whether we like it or not, that is what is happening.

The Reform Party recognizes that there is a need for transitional support to protect agricultural producers against policies over which they have no control, including international subsidies that increase supplies and depress prices. We have certainly seen that with the price of wheat and barley in this latest crop year.

We recognize that we cannot just completely eliminate subsidies, that simply cannot and will not happen. We need to provide transitional support.

As well, the member for Portage—Interlake made some comments quoting the Reform Party, leaving out some very important words. I will just quickly go over those.

The Reform Party believes that the agricultural producers should offer the rest of the world and the rest of the country a deal leading to a step-by-step reduction of government agricultural support, at home and abroad. Yes, we need to be leaders in this. Yes, I believe the agricultural sector is willing to make that step and become a leader in a step-by-step reduction if other economic sectors and our trading partners will do the same. That is where the hon. member left off his sentence half way through.

I believe the agricultural sector is willing to do that if, and only if, every other sector will do it at the same time. Then we would see an equality of sacrifice right across the country.

Looking internationally again, the Reform Party supports a trade distortion adjustment program to compensate for the adverse effects of subsidies by other countries. If we were looking at a ratio, for roughly every $5,000 that Canadians are subsidized in our agricultural industry, the figure is approximately $10,000 for Ameri-

cans and $25,000 for Europeans. We ask: "How could those figures balance out?"

We need to see a government that is very aggressive dealing with Article XI that is firm at the GATT negotiations. We are looking to this government to be very tough, as the hon. member mentioned earlier, to go to the GATT and say: "We simply will not give up these things, we will be tough and we will continue to press for lowering subsidies around the world".

The Reform Party supports an agricultural policy based on market mechanisms with the objective of meeting the needs of consumers for safe, affordable and secure supplies of food.

"Where circumstances allow" is another phrase that my friend from Portage—Interlake left out. That would mean a shift from a government supported agricultural industry to an industry shaped by the free operation of comparative advantage between regions and commodities, free entry into all sectors of production and marketing and free trade on a global basis.

If any opposition party is opposed to free trade, that is its political prerogative. With the global economy becoming so small, we realize that with trade travelling so quickly, with communications travelling so quickly we are looking at a global market whether we like it or not.

Again, my friend mentioned this afternoon that the Reform Party is going to absolutely reduce and eliminate all subsidies whatsoever. He left off the first part of that sentence which was "if other domestic sectors and countries will do the same". Now, we are looking at an "if then" clause grammatically. If this happens at the national and at the international level then of course the Reform Party supports the phased reduction and elimination of all subsidies, support programs and trade restrictions.

This is what farmers are concerned about. These are what farmers in Beaver River are talking about. These are what farmers who in fact developed the Reform Party agricultural policy are concerned about.

When I look at what is happening in the agricultural sector, and at what is happening in my riding of Beaver River, which is very much agriculture intensive, people are saying they do not want handouts all the time, but that they are facing a very difficult time right now with cash flow. We are looking at depressed prices for grains and oilseeds. We are looking at a government that is going to the GATT negotiations. However, the Uruguay Round has come far short and almost stopped in its proceedings.

We are looking at a people who are proud of their heritage. We are looking at farmers who are very proud of their Canadian heritage and what they are doing in this country. They are saying they are willing to adopt some of these measures if, and only if, everyone else is willing to do that.

It makes me proud to be the member of a very agriculture intensive riding, a riding which this summer was stricken with such serious drought that we had barley crops in the heart of Beaver River which were four inches tall. They were not even good for silage because they were too short for cutting and too dry for making silage.

I understand the problems because I was there and went on tour after tour looking at farmland in my area which suffered so devastatingly. For example, in the area of Two Hills and Willingdon, a large meeting was held at which farmers said: "We do not want handouts forever. We want a transitional program here before GRIP and NISA kick in".

These people do not want to have to give up their farms and they are concerned whether they will be able to participate in the programs and will get transitional support. That is the key word I would like to say on behalf of the Reform Party, as well as member of Parliament for Beaver River.

I wonder about criticisms of the Reform Party but that is fair enough, I can appreciate that.

• (1750)

I would just like to say in closing that these are policies which have been put together by farmers, and of course our blue book is on display for anybody to look at. That is something I have never found from any other political party. Nobody has sent me anything telling me what they really believe and what they really stand for. These are things which were passed by the general membership at our assembly in Saskatoon this year, and that, of course, represents the 90,000 members that now belong to the Reform Party.

The September 9, 1991 issue of the *The Alberta Report*, a magazine from western Canada, says that northern and southern farmers in Alberta are supporting the party at 39.4 per cent. These are people who are proud and are very willing to say they are willing to tighten their belts if everyone else across the country does the same.

Madam Deputy Speaker: It being 5.45 p.m., it is my duty to interrupt these proceedings and put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 81(14).

The question is on the motion. All those in favour of the motion will please say yea.

Some hon. members: Yea.

Madam Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

Madam Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Madam Deputy Speaker: Call in the members.

And the division bells having rung:

Madam Deputy Speaker: Pursuant to Standing Order 45(5)(a), the government whip has asked me to defer the vote. Accordingly, pursuant to Standing Order 45(6) the division on the question now before the House stands deferred until Monday, September 23, 1991 at 6 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

SUSPENSION OF SITTING

Madam Deputy Speaker: I will suspend this sitting until 6 p.m. this day when we will proceed to Private Members' Business.

The sitting of the House was suspended at 5.53 p.m.

SITTING RESUMED

The House resumed at 6 p.m.

PRIVATE MEMBERS' BUSINESS

[*English*]

UNITED NATIONS

PROMOTION OF GLOBAL SECURITY

Hon. Walter McLean (Waterloo) moved:

> That, in the opinion of this House, the government promote a summit level meeting at the United Nations on global security, to examine ways of implementing and strengthening the United Nations peacekeeping and enforcement mechanisms.

He said: Madam Speaker, it is timely that this motion has been drawn for debate today, timely because it affords us with an opportunity to sustain the momentum that has been building in the aftermath of the gulf conflict, in favour of strengthening the United Nations.

It is also timely in light of today's call for a UN force to intervene in the conflict in Yugoslavia. I think also of events in the Soviet Union, peace efforts in the western Sahara, Cambodia and Angola and the simmering situation in Iraq and the threats of further violence.

The motion that I present for the House today reads, as you have said:

> That, in the opinion of this House, the government promote a summit level meeting at the United Nations on global security, to examine ways of implementing and strengthening the United Nations peacekeeping and enforcement mechanisms.

Here, in this motion, we are presented with an opportunity, a golden one at that, to encourage the building up of a mechanism that can allow the United Nations to fulfil its intended role.

We Canadians have a responsibility to use our prestige and expertise in the area of peacekeeping. We can use our reputation as a devoted member of the United Nations family to ensure that this historic opportunity is not lost. It is a responsibility that Canada and other governments should seize. Canada's participation in the gulf was done, as we recall, in the name of the United Nations. And when it was argued that the operations against Iraq did not follow the UN charter to the letter, the reply was that the UN security mechanisms were not in place. It was, therefore, impossible to expect to the UN Security Council to have full command and control of the enforcement of its resolutions.

Has the lesson been learned? The answer, as we stand today, months later, has to be no. The UN is today being called on to perform peacemaking duties in the tragic conflict in Yugoslavia and, once again, the excuse back to the European community and to others is that the UN is not prepared. This has a hollow sound to it and it puts at risk the credibility of the union to maintain security and peace.

It is important to follow up the criticisms of the gulf action with constructive action. Clearly our world needs a functioning UN security mechanism. It is a responsibility not only of governments but of individual parliamentarians to seize this moment to help build a reliable collective security system of enforceable international law. If we do not rise to this challenge, succeeding generations may well scorn us for having missed so great an opportunity to bring about an international system of law that can reliably prevent aggression.

Bernard Wood, the chief executive officer of the Canadian Institute for International Peace and Security, has offered this warning to Canada: "There will be another test before very long and probably it will come in some region that is not as much of an economic or strategic interest to major world powers. If at that stage this international consensus and the international security structure fail to respond with equal vigour and even-handedness, the cynics will then have been vindicated and more importantly, the world will have been plunged backward".

Canada should not allow this to happen. We have invested too much in working toward the dream of a strong and effective United Nations to allow this moment to pass without undertaking a major effort to build up security mechanism of the UN. We are investing too much of our resources, talents and hopes, whether it be in Central America, in the Middle East, in Cyprus, in Angola or elsewhere not to act now, now that there is a genuine openness about reforming and renewing the United Nations.

There are no lack of ideas for strengthening the United Nations in the aftermath of the gulf war. New and old proposals are finding a renewed interest. A mechanism for preventive peacekeeping is being promoted, for example, whereby as a deterrent to aggression, UN troops could be deployed along the border of any nation that is being attacked. Others are beginning to look seriously at implementing the provisions of Article 43 and 47 of the UN Charter. That would enable the UN to mount its own force rather than having to rely on a major power.

There are still other discussions of an early warning capacity for the UN to ensure that developing conflicts can be detected and prevented from escalating. The question is: how do we turn these ideas that have been thought through, plans have been laid, how do we turn them into political realities? Surely, that is a job for politicians and political leadership. The tired pace of diplomatic discussions in the cavernous committee rooms of the UN will not bring the UN into the 21st century. What is needed is an infusion of political will.

We recall that in the 1960s people spoke of a rising tide of expectation. That was in relationship to development and decolonialization. We need today a rising tide of expectations that the international institutions that we have will be strengthened. What is urgently required is an infusion of vision, innovation and a renewed commitment to the ideals of the UN Charter. The spirit of San Francisco, that lofty idealism of the founders of the United Nations, that was of course one of the first casualties of the cold war, must be rekindled. To relaunch that spirit, we need to focus high level political attention.

That is why I have proposed in this motion that the Canadian government promote the convening of a high level meeting on global security. Earlier this year, under the auspices of parliamentarians global action, legislators from Latin America, Europe, Asia and Africa gathered here in the House of Commons to discuss this issue. We were briefed by UN officials, we had members from all major parties and across party lines from abroad and the focus of our discussion and time together was UN collective security. We were looking at it in the perspective of the aftermath of the gulf conflict.

Two days later, after these briefings, we agreed on the Ottawa declaration on UN collective security. The key recommendation of our time together in that representative meeting is a call for a special session of the UN General Assembly on International Peace and Security. The need for such a high level meeting has been recognized not just by our group and by parliamentarians, but by eminent persons here in Canada and abroad. The World Federation of the United Nations Associations, headed by Canadian Maurice Strong, has called for a major conference on the UN in 1995, the 50th anniversary of the UN. On April 22, 32 leading spokespersons, statesmen, including Maurice Strong, Stephen Lewis, Sonny Ramphal, Edward Heath, Jimmy Carter, Robert MacNamara, Sir Brian Urquhart and Eduard Shevardnadze, called for a world summit on global governments. At their July summit meeting in London,

Prime Minister Mulroney and the leaders of the G–7 industrialized nations devoted unprecedented attention to the question of strengthening the UN security role. Listen for a moment to the G–7 political declaration. Here is what the G–7 leaders, including our Prime Minister, said:

> We believe the conditions now exist for the United Nations to fulfil completely the promise of its founders. A revitalized United Nations will have a central role in strengthening the international order. The UN's role in peacekeeping should be reinforced and we are prepared to support this strongly.

• (1810)

A month earlier, in Berlin, our Prime Minister echoed the sentiment that no step could be more important in strengthening the international order than strengthening the UN itself. He said Canada would like to see the UN's capacity to prevent war enhanced. We would like to see the role of the Secretary General enhanced and the organization's peacekeeping capacity increased.

There is then, clearly, a great deal of enthusiasm. The groundwork has been put in place for political work, for the generating of political will.

Here we have the world leaders looking at how to strengthen the UN. What is needed today is for Canada and supportive governments to organize ourselves, to formally present a proposal at the current session of the United Nations General Assembly. That session opened earlier this week in New York, welcoming as we saw with world attention the Baltic nations, South Korea and others. There is a good chance that Canadian leadership will be supported and we can be instruments in the process of change.

But, in politics, as all of us in this House know, timing is everything, timing is crucial, and we must act now while there is still momentum behind strengthening the United Nations. For I fear that in a year or two that this present window of opportunity will have slammed shut.

And, what might this summit level meeting focus on, the summit level meeting that the motion encourages Canada to work for? Well, global security is, of course, a multifaceted concept and the issues of environment, development, disarmament and human rights are all key. But I think there can be a broad agreement on a starting point. The issue of strengthening the UN's peacekeeping and other security mechanisms has been sorely neglected and I believe the circumstances are particularly auspicious to remedy this problem at this time. I believe that the establishment of an effective UN security system is, in many ways, the key to many of the other problems we face, providing a reliable alternative to the bloated military budgets that nations rely upon for their security.

Here is the challenge. A mechanism of collective security is the precondition for an extensive disarmament to take place. Governments, like citizens of any community, need to be able to call 911, they need to be able to summon an international fighting force or police force. This security mechanism, in turn, would free vast resources that are needed to meet the host of domestic and international problems of environment, of education, of health care. And so I am urging the Government of Canada to seize this opportunity to develop, in concert with others, the idea of preventive peacekeeping. This could have deterred Iraq from aggression. It could avoid future bloody conflicts. The UN should have this capacity. We cannot expect the United States of America to be the world's policeman. This is unacceptable to Canadians, unacceptable to the world community, as well as to many Americans.

Ironically there has never been a high level political meeting, never been high level political attention devoted to the question of strengthening peacekeeping and international security.

If we think back for a moment, there have been special sessions of the General Assembly devoted to disarmament. There have been a number of sessions devoted to development. We are now in the midst of preparing for a second major conference on the world's environment to be hosted in Rio de Janeiro, Brazil.

But there are no such plans to devote this kind of attention to the issue of how we strengthen the security role of the United Nations and so strengthen the sense of security and confidence of the nations of the world. This is in spite of the fact that the maintenance of peace

was intended to be the primary function of the United Nations. This was its *raison d'être*.

Such an initiative would give the entire international community an opportunity to shape the new world order of which both President Gorbachev and President Bush have spoken. There is a good deal of healthy scepticism of this concept. The concern is that the new world order will be dictated by a single power.

By launching a global intergovernmental conference, all nations will participate in the shaping of this order. They can insist that it meet their immediate needs and the needs of the global community.

As a result of the Ottawa workshop of parliamentarians sponsored by Parliamentarians for Global Action and CIIPS and other agencies here, that several of us who are here in the House tonight attended, there is a network of parliamentarians around the world organized to promote this kind of initiative. The broad representation of our Canadian group and our international network gives me confidence that there is a high degree of receptivity to and enthusiasm for this initiative, not just by the leaders as we have heard their statements, but also potentially in the Parliaments of the world.

One nation needs to take the lead. It needs to be a nation with an international reputation for support of the United Nations. Canada is in that position. As parliamentarians we owe it to the people of Canada and to the people of the world to press our government to show continued leadership in the creation of an effective United Nations for the 21st century.

So this evening I am asking for colleagues' support, and as I speak in the House and also across Canada for concerned and interested Canadians' public support, in urging the Prime Minister and the Secretary of State for External Affairs to be proactive. When Canada addresses the United Nations General Assembly in New York next Wednesday, I urge Canada's voice to be heard in calling for a UN summit on global security and committing resources to see it come about and lead us to a secure 21st century.

Madam Speaker, colleagues, I thank you for the opportunity to introduce this motion and for your kind attention.

Hon. Warren Allmand (Notre–Dame–de–Grâce): Madam Speaker, I want to start by congratulating the hon. member for Waterloo for this important motion which he has put before Parliament today.

• (1820)

In his motion, as he said, he is asking the Government of Canada to promote a summit meeting at the United Nations on global security and, in particular, to search for ways to prevent aggression by an improved peacekeeping policy and through the enforcement of international law.

Let me acknowledge immediately the outstanding work done so far by the United Nations in peacekeeping since 1956 when we had the first real peacekeeping operation to solve the Suez crisis. Of course, the proposals for that peacekeeping operation were put forward by our foreign minister of the day, Lester B. Pearson, who was, at the time, the President of the General Assembly of the United Nations.

As we all recall, Mr. Pearson won the Nobel Prize for that initiative. There is a long tradition for Canadians taking the kind of initiatives that the hon. member for Waterloo suggests today in his motion.

Over the years, these peacekeeping forces of the United Nations have monitored ceasefire operations. They have supervised elections in countries. They have monitored the withdrawal of armed forces from certain countries. They have also been there to govern the transition of certain colonies to self–government.

In fact as you will recall, UN peacekeeping forces won the Nobel Peace Prize in 1988 for the outstanding work they did over the years in bringing about peace.

All along since 1956, Canada has been one of the great leaders. Since 1948, Canadian peacekeeping forces have participated in 30 countries in peacekeeping operations. Over 80,000 Canadians have been involved in peacekeeping. This year, there are 2,000 of our troops involved but unfortunately again over that time, 81 Canadians were killed in peacekeeping operations.

As I said, what has been done so far has been good, but we have to admit it is still limited. Improvements are necessary and that is why this summit meeting at the United Nations is essential.

The gulf war in February, the war between Iraq and Kuwait, demonstrated this. The main problem at that time, you will recall, is that the UN peacekeeping forces had to go into operation once Kuwait was occupied by Iraq. It came in after the fact. What we are seeking is a type of UN peacekeeping force and a preventive peacekeeping policy which would have prevented that aggression from taking place in the first place. We are not to act after the fact, after the aggression, but prevent the aggression from taking place.

What we need is a new world order that would provide for preventive peacekeeping. What do we mean by that? We mean a process whereby there would be early warning on potential aggression that would provide for certain peacekeeping. There is no doubt that it is easier and less costly to prevent the occupation of a country such as Kuwait than to evict an aggressor once that occupation has taken place.

How would we set up such a preventive peacekeeping policy, or operation? I might mention that I have a private members' motion before this House which is motion 535 which sets out some of the details for preventive peacekeeping such as I will now discuss before the House.

What we need are, first of all, regionally located standing UN forces made up of national contingents on a rotating basis. When an incident takes place, the Security Council decides that we need a peacekeeping force, and the force is drafted from national contingents at the time.

What I and other experts are suggesting is that UN peacekeeping forces would be stationed on perhaps the six continents of the world in certain friendly countries with contingents made up of many countries. They are trained and they would be trained by special UN training units on how to properly carry out peacekeeping operations, but they would be there ready to respond if a nation felt threatened by the aggression of another country. So, if there was such a threat of aggression, the threatened nation could call upon the Secretary General and the Security Council and there would be a force in that region of the world to immediately go to the border area and patrol the border under the UN flag, the UN helmets and uniform patches and so on, and with weapons, not heavy weapons, but to deter the aggression.

Now imagine if we had had such a policy before the Kuwait war. If Kuwait, seeing the build-up of forces and the threatening action that was made against it by Iraq, could have called for a regional UN force that would have already been in place in the Middle East somewhere or close by in that part of the world which could go there and station itself along the border between Kuwait and Iraq. It is very unlikely in those circumstances, despite the character of Saddam Hussein, that he would have invaded against a multinational UN force that was already on the border under the UN flag. Not under the United States flag or under the Canadian flag, but under the UN flag. That is what is suggested as a part of a preventive peacekeeping policy.

There would also be, in different parts of the world, probably in the same place as these regional forces, stockpiles of equipment ready to support the forces. Now these forces that would be permanent with national contingents of UN armies or national armies could be supplemented by additional forces from the countries of the world if the thing escalated beyond what was originally considered necessary.

Once the UN force was on the border to deter aggression then you could immediately refer the outstanding issues of the dispute to the Security Council, to the General Assembly, perhaps to the World Court, the International Court of Justice, for mediation, for arbitration to resolve the underlying causes that might lead to that aggression that would have been under way, but which was prevented by the UN force on the spot.

Other things that have to be considered of course are proper financing for such UN operations. Unfortunately, at the United Nations now there is a large sum of arrears for UN peacekeeping operations. I believe it is over $800 million. Most of this, again unfortunately, is owed by the United States and the Soviet Union. That is what I think has to be pursued at greater length at the summit suggested by my hon. friend. As he said, many of these recommendations came out of a forum sponsored by Parliamentarians for Global Action here in Ottawa on May 21 and 22 of this year when 21 parliamentarians from 15 countries, parliamentarians who specialized in these things, came together and discussed this matter with experts for two days and then produced what is

called "The Ottawa Declaration on United Nations Collective Security".

I fully support the hon. member's proposal. As I say, there are a lot of good ideas that could be put into more concrete form at such a meeting at the United Nations and all it requires really is the political will. As I say, let us look at the example of Kuwait, how less expensive it would have been in human lives, how less expensive in financial resources if we had had such a preventive peacekeeping policy in force there to prevent the aggression of Iraq. We would not have had to dislodge them from Iraq, we would have prevented the aggression in the first place.

Mr. John Brewin (Victoria): Madam Speaker, I rise to support this motion moved by the member from Waterloo to establish a UN summit level meeting on global security. This motion has our support and we would hope that all members of the House will not only support it but restrain their oratory to the point that before six o'clock this bill can receive unanimous approval of this House. I am sure it has that. Those who observe Private Members' Business will know that there is too often a propensity to talk a bill out. If we could have some discipline, perhaps we could put on the record of this House this very important motion, which I am sure reflects the hopes and aspirations of all Canadians.

• (1830)

It is important I think in analysing the motion before us to keep in mind the different concepts of peacekeeping and enforcement that are embodied in the motion which reads:

> That, in the opinion of this House, the government promote a summit-level meeting at the United Nations on Global Security, to examine ways of implementing and strengthening the United Nations peacekeeping and enforcement mechanisms.

Canadians are very familiar with the peacekeeping role and potential of the United Nations. We have been involved since the beginning when we were involved in the innovative approach to the UN Charter and the way in which the UN works to get around the rigidities put in the Charter in Articles 43 and 47 to allow the UN itself to play a direct role in keeping the peace. Invariably this role has been confined to coming in after hostilities have broken out to essentially police the peace by putting a UN force between the previously warring parties in the hopes that its presence would deter any future outbreak of hostilities. That is a very important role and one in which Canada has played an important part over the years.

There are important ways in which this role can be strengthened. In passing I note with regret that the government in its defence statement of two days ago included UN peacekeeping only as an afterthought, a paragraph stuck in the statement. It made no commitment to improve the work of the Canadian military in training and preparing itself for a role in peacekeeping.

The government has put a cap on the contributions that Canada will make to peacekeeping, contrary I believe to the will of most Canadians. It is a role that would be very, very effective and important in actually preserving lives and keeping the peace, far less expensive than the waste of money which is reflected in most of the rest of the defence policy of this government. Instead of emphasizing this constructive role, the government is just carrying on.

It is important that we devote much more attention than we have. It is being said privately by generals of other countries that Canada's capacity to contribute in peacekeeping has deteriorated, that we are not doing as good a job as we could.

Our individual soldiers who go overseas do a good professional job, those who are working specifically do a good professional job. However, the collective effort of Canada in this area, the level of training and so forth is not what it should be.

As well, I note we have had a lot of discussion about base closings. The people in the Annapolis Valley have come up with a proposal for long term development of the base in Cornwallis for a number of training purposes, including that of a multinational training centre. It is an idea the government should follow up very quickly and not wait for the report of the advisory committee.

As sort of an extension of peacekeeping, the UN has got into other very important areas, such as the monitoring and verification of elections and the work in Namibia with the police, in which Canada made a contribution.

The motion goes on to talk about enforcement. This is the area which is going to need an enormous amount of international effort if we are to achieve any significant improvements. The concept behind enforcement is to get involved in a potential military dispute, a potential war, before it breaks out and/or to have sufficient military capacity to enforce the will of the United Nations and the international community where a breach of international law has occurred.

We have had some examples of UN involvement in this way. Neither of the examples reflect an exercise of the UN Charter as it was originally contemplated. The first major one was in Korea where the United Nations Security Council happened to be missing the Soviet Union, which had gone off on a boycott at that stage. The remaining members of the Security Council were able to get together and agree that the response to the North Korean invasion of South Korea would come under UN direction. The command in that case, while it was really American, was officially that of the United Nations. That particular instance has never been duplicated.

In the gulf war, while the Security Council agreed in effect virtually unanimously—and certainly the superpowers, the permanent members of the Security Council all agreed—they were able to get through Security Council resolutions. However, the direction of the forces in the Gulf were not that of the UN but rather that of the member states which decided to contribute to the military response in that case. Therefore, the effect was that the Americans provided the military direction and leadership in concert with the other individual members of the UN who participated. That was not a direct UN operation.

It is probably beyond our hope in the immediate future that a global summit or any other political activity is going to produce such a dramatic change that a military operation the size of the Gulf operation will come under direct UN military supervision. Apart from anything else, the political problems are enormous.

It would be highly unlikely that a government such as the United States, which made such a huge contribution militarily in the Gulf operation, would be prepared in any future operation to turn over the direction of its forces in such a sizeable conflict to the UN or to any other command. However, the UN may be able to move step by step into a far more effective role in less significant conflicts, in more minor conflicts where the size of the military operation does not have to be as large as in the Gulf where there were 500,000 troops and a major connection between the various forces working together in that particular conflict.

While I support this motion and I support the idea of a global summit, I am inclined to think that the Canadian government should not just leave it at pushing for summits. As we have seen in the case of the arms sales issue, the government's call for a global summit there has evaporated into thin air. It is very hard to get the nations of the world to come together for a global summit unless there is a strong common will. The political effort involved in simply getting them all together, while it is important, should be directed toward more incremental gains and to work at the UN for the development of a UN force that operates in a similar way to the peacekeeping forces where various nations contribute forces to a UN command to work in a specific conflict or dispute. It seems to me that working on that would be a progressive step.

As the member for Waterloo mentioned, I think the UN may also have a role in international surveillance, security communications and development of an exchange of information, in confidence building measures and in other ways to head off disputes.

I recently attended an interesting conference in Windsor on civilian based defence. We heard an interesting address from Gene Sharp, who has written on the subject. There is in fact a civilian based defence association which promotes a series of useful ideas for heading off violent conflict and offering the potential for resolving disputes more effectively without resort to military means.

• (1840)

My final point, if I can, is to relate this motion to the debate that goes on in this House and elsewhere on the future of NATO and the role of NATO and other possible forces in regional conflicts in Europe.

As the cold war is now over and the threat of a Soviet Warsaw Pact invasion into western Europe, if it ever existed, is now gone, what is left in Europe are totally different security questions.

Again, the member for Waterloo mentioned Yugoslavia. That is a totally different security problem from that posed by the Soviet Union and the Warsaw Pact: a

massive invasion similar to that in the Second World War.

What is needed to respond there militarily is a small force which can move quickly into that area. The issue then becomes: who runs it? The desirable answer for that is the United Nations. It should have a force which could go into Yugoslavia and deal with it.

Short of the United Nations in the interim, it should be all the nations of Europe including the United States and Canada that have some sort of security arrangement. The least desirable result, in fact non-desirable result, is to have NATO, which was designed for a totally different purpose and has a narrow base of members in the new Europe, taking on the responsibility of being the region's police force.

I urge the House to support this motion. I urge the Canadian people to support the direction of this motion. It is a very important one with great hope for the future of the world.

Mrs. Louise Feltham (Wild Rose): Madam Speaker, I too wish to lend my support to my hon. colleague's motion. It is very important.

The United Nations, as the international community's guardian of peace and security, has obtained a new lease on life from the end of the cold war and a successful outcome of the gulf crisis.

The United Nations can now start to deliver on its promise as the only organization able and mandated by the whole international community to deal with the global issues and challenges.

The Security Council of the United Nations is empowered to recommend and decide on action to be taken to preserve and to maintain international peace and security.

During the cold war it was literally crippled. It was prevented from agreeing on tangible responses to acts of aggression or other threats and defiances. Consequently, the provisions of chapter 7 of the charter of the United Nations was almost never used.

With the end of the east-west confrontation, the world has witnessed a rare degree of co-operation among the council's permanent five and the other non-permanent members of the council.

The ability of the Security Council to act in concert is a testimony to the new era of co-operation which is now open to all of us. In fact, the international community was able last year to deal with the severe Iraqi threat to international peace and security in an unprecedented manner, a manner that gave the whole United Nations system a new lease on life.

Iraq's aggression was a litmus test for the United Nations. The successful outcome to that aggression sent a clear message that the world has changed, that it will not tolerate aggression and that international law cannot be ignored.

It is clear that peacekeeping and peacemaking must remain the focus of the council's mandate. Recent events have underlined the promise of peacekeeping. Future trends for peacekeeping operations are to combine traditional military elements with political, humanitarian, economic and sometimes social.

We need those mechanisms. More advanced planning and financing will be needed. However important peacekeeping is, peacemaking must take on a more important role. We all agree that long-term security depends on the development of a more comprehensive apparatus that enables the Security Council to manage not only the crises that have already erupted, but also disputes which threaten to degenerate into crises.

The United Nations' previous inability to bring its members to respect the council's decisions meant that the organization was never able to achieve its potential as a peacemaker. It has never put in place the machinery which would allow the organization itself to enforce peace.

Now that the United Nations has the potential to act in this area, it is important to look at the arrangements that were foreseen in the United Nations charter which could enable the organization to meet its obligations in this regard. These are foreseen in chapter 7 of the charter.

Should we consider activating the provisions of article 43 which ask all members of the United Nations to:

> —undertake to make available to the Security Council, on its call and in accordance with a special agreement or arrangements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

> Such agreement or arrangements shall govern the numbers and types of forces, their degree of readiness and general location, and the nature of the facilities and assistance to be provided.
>
> Agreement or arrangements shall be negotiated as soon as possible on the initiative of the Security Council. They shall be concluded between the Security Council and members, or between the Security Council and groups of members, and shall be subject to ratification by the signatory states in accordance with their respective constitutional processes.

This is what article 43 of the United Nations charter calls for.

The first request is to make armed forces available to the United Nations. Once this is decided, this route would require the negotiation of agreements specifying the numbers and the types of forces, degree of readiness, the general location, and the nature of facilities and equipment to be provided.

Such an agreement might have the following advantages. The nature of the commitment would be determined in advance, which is very important. Defence authorities would be able to allocate the necessary resources and develop and exercise operational plans. It might be possible to avoid a need to relocate resources on an emergency basis as has often been the case for major Canadian participation in a United Nations peacekeeping mission.

Such an agreement would also allow participation by contributory states in the Security Council's deliberations and decisions concerning the employment of those forces. They would thus have a seat at the table which might not otherwise be available to them.

• (1850)

The events of the past two years have raised the expectations of the people all over the world. The international community now expects stronger council actions and a wide variety and range of conflicts that could jeopardize the international peace and security in a broader sense than was ever envisioned. In these, those events have led to a process of reconsideration of some of the reference points of international relations, including the principle of non-interference in the internal affairs of member states.

In terms of foreign policy, Canadian participation in peacekeeping has always served to reinforce our status as an international player of consequence, and our reliance on multilateralism. I believe that Canadian participation in a renewed concept of international peacemaking under the United Nations auspices will also serve Canada's image and policies well.

It is my conviction that the United Nations has to change, it has to evolve, so as to be able to execute the mandate given to it by its founders. The strengthening of the United Nations organization and system should become one of our main objectives in the current General Assembly. The strengthening of the United Nations enforcement or peacekeeping mechanisms will be an evolutionary process.

Mrs. Christine Stewart (Northumberland): Madam Speaker, it is my pleasure this evening to support the motion before us put by my colleague from Waterloo across the floor. The motion reads:

> That, in the opinion of this House, the government promote a summit level meeting at the United Nations on global security, to examine ways of implementing and strengthening the United Nations peacekeeping and enforcement mechanisms.

It is not my intent this evening to talk out this issue because I think it would be an important signal for the Parliament here to approve this motion. I hope that we get an opportunity to do so on this.

When the United Nations was founded at San Francisco on June 25, 1945 its charter was signed by 51 states, primarily the nations of the western hemisphere and Europe. Now, close to half a century later, there are over 160 signatory states, representing all regions and peoples of the globe. The delegates at San Francisco met in the face of a world very different from that facing the delegates today in New York.

Although the original challenges identified at San Francisco, such as economic development, peace and security and human rights remain; many others have risen. The concepts of sustainable development, third world debt, self-determination and high technology were unknown to the framers of the UN Charter. The emergence and persistence of these and many other challenges, coupled with momentous global political change in the last two years, let alone in the last half century, have contributed to a sense of crisis today which did not exist in 1945. There is an increasing demand for a rethinking of the means by which humankind orders its affairs.

The role of the United Nations, the largest multilateral organization in the history of civilization, is both central and critical to this task. As a fundamental supporter of the United Nations system since its inception, Canada's contribution to United Nations reform and an enhanced United Nations presence in world

affairs is both necessary and vital to Canada's national interests.

Madam Speaker, I am also, besides being pleased to stand in support of this motion this evening, very pleased to say that I am a member of the organization Parliamentarians For Global Action, an organization which represents a large non-partisan group of parliamentarians from around the globe. As was mentioned by other speakers this evening, representatives of this organization met in Ottawa on May 21 and 22 and produced the Ottawa declaration on UN collective security. Perhaps I can outline just a few of the points that were made in this declaration, which in some respects go a little bit further than the motion before us this evening that we are debating. One of the points made in this declaration is that the rule of law ultimately will prove less costly than the chaos of war.

Earlier this year after the gulf war crisis the Standing Committee on External Affairs and International Trade met on February 6 to hear witnesses from non-government organizations working in Third World countries speak to the problems that the gulf war created for many Third World nations.

It has been suggested that the gulf war, the crisis we have lived through this year and are happy to see the end of, could be only the beginning of north-south wars in our world. Nobody would want to see that happen, but I think it is true that that is a possibility given the amount of militarization and the amount of arms trade that goes on in this world and the frustration that is experienced by so many nations of the south. Unless we are very vigilant and determined that war will not occur again and carry through on such proposals as is presented in the motion this evening, it could be the first of the north-south confrontations in our world.

When the non-government organizations came before our committee and spoke of the cost of the gulf war, not to the developed nations but to the developing Third World southern nations, they spoke of the fact that that war threatened and affected the lives of millions of people in nations all over the world. Who would have imagined that a war that took place in the Middle East would affect countries so disparate in location in our globe as Brazil, Bangladesh, India, Pakistan, Sri Lanka, and the Philippines; but that in fact is what has happened.

It is these wars that create more difficult economic circumstances for these already struggling nations, causing standards of living to deteriorate and immediately causing for our own concern large numbers of refugees and insecurity globally speaking.

The declaration that was made in Ottawa spoke of different initiatives that could be taken: preventive peacekeeping where UN troops could be deployed along the border of a nation legitimately fearing attack, to be backed as necessary by forces authorized by the Security Council, as a deterrent to possible aggression by another state and a signal of the resolve of the international community to remain seized of the situation. It requested particular parliamentary initiatives and it stated specifically: "We call upon our colleagues in Parliaments, assemblies, and congresses around the world to begin a major review of the structure of the United Nations with a view to broadening the political legitimacy of the United Nations collective security actions and to ensure that those actions reflect the interests of all member states".

In response to that, the first paragraphs that I read as I stood here in the House this evening were from a notice that was sent out internationally and to colleagues and friends across this country announcing that the Liberal Party of Canada is sponsoring a public symposium entitled "Canada and the United Nations System in the 21st Century", which will take place in Vancouver, British Columbia, beginning on United Nations Day, October 24, and going through to October 26.

At that time we are hoping to discuss the topics of the maintenance of peace, environment and development, trade and development, the movement of peoples, leadership, the UN role in world society, and the role of law.

The very first workshop of that session to which all are invited is entitled "The Maintenance of Peace".

The role of the United Nations in maintaining international peace and security, the powers of the Security Council under chapters 6 and 7 of the charter, residual powers of other organs such as the General Assembly, peacekeeping, the role of the secretary general, options for reform of charter provisions, Security Council membership, and UN versus regional arrangements will all be on the agenda in that workshop.

I encourage anybody interested in supporting this motion and seeing the necessary reform that is required in the United Nations to try to attend.

I cannot say often enough how important I feel the text of this motion is and what it implies for our future. It is significant that Parliaments around the world are promoting this in hope for world peace and improved security.

Madam Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

It being seven o'clock, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

The House adjourned at 7 p.m.

HOUSE OF COMMONS

Friday, September 20, 1991

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

DEBT SERVICING AND REDUCTION ACCOUNT ACT

MEASURE TO ENACT

The House resumed from Wednesday, September 18, consideration of the motion of Mr. Mazankowski that Bill C–21, an Act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada, be read the second time and referred to a legislative committee.

Madam Deputy Speaker: The hon. member for Ontario has 16 minutes left. The hon. member for Ontario.

[*English*]

Mr. René Soetens (Ontario): Madam Speaker, it is a pleasure to continue debate on this bill which we started on Wednesday. At that time I made some comments relative to some past performances and will carry on from where I left off.

What we are talking about is taking all of the revenues of the goods and services tax, revenues from the sale of various Crown corporations and other gifts to Canada and putting them aside specifically targeted and earmarked to be put against the debt of Canada. It is with that in mind that I would like to carry on my comments.

We all have to appreciate and understand that we are not talking about one particular bill, although that is certainly the subject that is in front of us. We are talking about the over–all policies of the Government of Canada.

Without some of the other pieces of proposed legislation, this bill in itself would be ineffective. We have to control government spending. We have to keep the revenues of the government reasonably stable, and therefore, this bill will have some effect.

Another proposed piece of legislation that I am involved in is receiving some representations. It represents the dilemma that all Canadians face, certainly. I was involved in the hearings concerning the establishment of the goods and services tax, as well as back in my own constituency.

One of the fears of Canadians is that if this ends up being a "cash cow", the Government of Canada would simply create all kinds of new programs to spend all this new–found wealth, if we can describe it that way.

In my constituency, Canadians said: "We understand we have to pay the debt. We understand we have to address the deficit, and if you can assure us that the revenues you get from the GST will not be spent on new programs, that it will be used to address the debt, then, we might not like the goods and services tax, but we will be able to accept it much more readily because we all know that we have to sometime pay the bill." This bill does that.

To give you the alternative, in the finance committee hearings this week dealing with the control on government spending, we have had some excellent representations. I think it reflects the concern in the country because we had appear before us, a group called the Canadian Taxpayers' Federation.

I would just like to quote one paragraph from its representation: "We support the principle of the Spending Control Act because it represents the beginning of a solution to the prisoners' dilemma. While all of us collectively might agree that the federal government should reduce its deficit, each of us individually has been unwilling to suffer cuts to those programs from which we, as individuals, have benefitted".

I think that is very well said. Certainly in the last few days in the Windsor area, we have had another manifestation of the problem. We have had the truckers closing some transportation routes, demanding that the government cut taxes. They were demanding that this spring in my riding, the heart of where the trucking industry started the blockade in Ontario. They were demanding that the government cut taxes. That is one side of the coin: cut taxes. This groups says they collectively are not willing to absorb their share of that cut.

• (1010)

This week we have had in the finance committee an alternative presented to that of cutting taxes. That view was presented by the taxpayers' coalition about Canadians not willing to share their concern. In fact we have had people lined up trying to get their share of this "cash cow", if I can describe the GST as some others have.

To give you the best examples of the alternatives, the Canadian Federation of Agriculture this week appeared before the committee and said: "CFA is concerned that these programs will be considered under the new policy initiatives enrichment provision section which are not exempted from the proposed legislation and will therefore bring some cuts in other agricultural programs or elsewhere." It went on to talk about how it needed more money.

There was another group that appeared before us as well and that was the Canadian Association of University Teachers. I would like to quote a sentence from their presentation: "We also feel that the government is dangerously limiting its own room for manoeuvring in the years to come and we fear that once again higher education will be forced to pay the cost". Their presentation talked about how they needed more money.

Yesterday the National Action Committee on the Status of Women appeared before us. They came to comment about their perceptions with regard to child care. They had a tremendous program of additional demands for money from the federal government. You can see that just this week throughout this country the debate rages; one side saying do not spend it, cut taxes, and another side saying they want more money.

That is the dilemma we face and that is why I think we have made the right decision in dealing with the GST; that the funds generated from the GST have to go into that special account and just cannot be spent anywhere.

It is not just the GST revenues. I would like to relate some other revenues that might be going into this debt servicing reduction account.

In the past the Government of Canada has sold off some corporations that we, collectively, paid for with Canadian taxes: Nordion Corporation, Air Canada, de Havilland, Canadair, just to name a few. The Canadian taxpayer, having paid for these corporations for all these years, when we sold them, where was the benefit to the taxpayer? Did we get a dividend? Did we get a reduction on our debt? We got nothing. The money was put somewhere in general revenues, and it disappeared. Nobody can identify specifically the dividend from our investment in that.

Let us look a little further because we are now embarked on the sale of a Crown corporation, Petro-Canada. Taxpayers have put a tremendous amount of money in that. I would think that when it is ultimately sold that Canadians would want to know that the money from the sale of the corporation has gone to reduce the debt that in fact was incurred when we purchased the corporation in the first place.

Could you imagine some other corporations that we might sell? Can you imagine selling CN Rail? Think of the billions of dollars that would generate if we ever got around to talking about selling it. The CBC—I am not sure anybody would want to buy that—but think of the potential revenue of selling CBC. VIA Rail is another Crown corporation we could get rid of that Canadians might be willing to buy privately. We could put all of that money, however much there might be, into reducing the debt that we incurred in owning those things in the first place.

How about the Royal Canadian Mint? Can you imagine if we sold that how much we could get for it? People might be interested in selling all of those things if they knew that when we sold them the revenue would be used to reduce the debt that was incurred.

Mr. Mills: Why don't you sell the House of Commons?

Mr. Soetens: Well, now we have heard from the Liberal Party opposite. They want to sell the House of Commons. That is the level of debate they put into this thing. They should know that the House of Commons is

not for sale. They have often tried to sell it, tried to get people to buy it with money but it is not for sale. Anyway, that is the process.

There is another program. In fact this week the Fraser Institute appeared before the finance committee and it talked about a program where they would establish a prize of $40,000 for the individual who could come up with the best savings each year in the operations of the Government of Canada without a commensurate reduction in the level of service. For any Canadian, whether it be a constituent from my riding or any other riding, or even a member of Parliament, who can come up with a particular program that will reduce costs without reducing level of service, there is a $40,000 prize. The member for Ottawa Centre, I believe, came up with a suggestion, as he put it, of a gift to the Government of Canada to reduce the debt that exists. Rather than have it spent someplace else, it would be donated. He retracted on that because he said: "Well, first we have to reduce the debt of the Liberal Party", so he would donate it there.

The idea is that there are people willing to make contributions to the Government of Canada to reduce the debts of this country. Rather than have it simply spent on some new program, have it spent somewhere in this country on some spending that may not be commensurate with the idea of the person who gave the money in the first place. We now have put in place a mechanism so that money just is not spent that comes out of it.

Now, you have also heard, Madam Speaker, all of these Canadians talk about the GST as a great generator of revenue. Well, that might be true but I guess we should look at the first four months of this fiscal year. I saw a report in *The Globe and Mail* this morning which suggested that net revenue on the GST to the end of July, which is the most recent available, amounts to about $4.6 billion. Our budget for the year is just over $16 billion. If this great generator of extra revenue is going to generate the billions that people are lining up to spend, they had better look at that July number again. It says that we are basically on target, that we are generating the revenue we said we would generate in the first year, and I think that is heartening to know.

More important, even though the facts do not yet point that way, if those who suggest this is a great generator of revenue are right, is it not great to know that this debt reduction fund account will be in place and it will prevent the Government of Canada from simply creating a new program, from simply spending it someplace else? Very clearly, this money will be earmarked exactly where the constituents in my riding have said it should be. If we have to pay this tax, and if there is extra revenue, we want to know that the Government of Canada is not just going to frivolously spend it. That is what we will accomplish when we finally pass this bill.

The debt burden has been built up over years. Some 20 years has seen a tremendous amount of growth in that debt. There was some debt prior to the seventies, but basically it has been a growth of debt over the last 20 years. It is a result of Liberal spending and Conservative spending. It is a result of 15 or 16 years of deficits and compound interest on debt that existed over the years. So, that is there. How it got there I am sure all Canadians are aware.

But it has to stop. You cannot do it instantly, you cannot just wipe out that debt, you cannot just wipe out the deficit, because there are many Canadians who rely on the very important programs for their particular needs. So it will take many years of fiscal responsibility based on tough committed action to reduce the debt to a more manageable proportion.

I think the debt servicing and reduction account is a threshold step to make certain that we continue and accelerate and progress toward this vital goal that all Canadians have.

It was some 60 years ago that Prime Minister Mackenzie King told this House that "the promises of yesterday are the taxes of today". This legislation takes a different course. It is a promise of action, made concrete by law, that the burden of deficits and debts will be reversed so that they do not add to the taxes of tomorrow. It is further hard proof of our commitment to the fiscal responsibility that is a key foundation for future economic growth for Canada and increased prosperity for all Canadians.

Madam Speaker, I want to conclude by thanking you for the opportunity to address the House on this very important bill, and also to encourage all members of this House to support, not just the bill but the concept that revenue to the government has to be specifically earmarked so that we can reduce the debt—the deficit first and ultimately the debt—of this country, so that our children, my children, your children, do not have a burden to face.

• (1020)

When they, in the future, run for Parliament as undoubtedly they will, they will not find themselves faced with the fact that 35 cents out of every dollar has to be spent on the interest before they even start to look at any other expenditures. That is a burden that we all find, Madam Speaker, and I hope that when all is said and done, we will keep that thought in mind: that the children of the future should not have the burden that we have today.

Mr. Dennis Mills (Broadview—Greenwood): I am going to try and keep my sense of humour here today; it is the end of the week. However, I cannot believe the charade that is being put before us by this bill.

First of all I want to say there is absolutely no way that this government can possibly understand the way this GST is breaking the morale of this country. There is absolutely no way that this government can understand the fact that the creators of wealth in this country are those people who go out and work hard and, through incentive, create the revenue that allows us to pay down the very debt we are all concerned about.

Conservatives are not the only ones concerning themselves about debt. We concern ourselves with debt as well. Yes, we did leave a debt of $180 billion at the end of 1984, but from 1980 to 1983 we had one of the worst world recessions. From 1984 to 1988 you doubled the debt, so let us not throw daggers at each other on the debt.

Where I have problems with the Conservative government is its total lack of imagination. It thinks the way you eliminate debt is sell off Via Rail, sell off Air Canada, sell off the Royal Canadian Mint, sell, sell, sell. That is the extent of their creativity, one word: sell.

I know this member sits on the House of Commons Standing Committee on Finance. He has listened to pleas from all sectors of this economy. My simple question to him is this: at what point in time does he feel that he can stop pushing the morale of this country further down? At what point in time does he feel we should stop doing that, and get back into a more hopeful, wealth creation mode? I do not think he or his party realizes—or at least I am not seeing any demonstration of it—that the pain out there right now, because of the people unemployed, because of the many small businesses that are just hanging on by their fingernails, is being exacerbated by this GST. This debt reduction fund has absolutely nothing to do with reality because the money you receive on the excess GST, if it went into general revenue, still goes against the debt.

The general revenue fund is not some separate institution. It is all part of the same balance sheet of the Government of Canada. Why you are setting up this bogeyman called the debt reduction fund is beyond me. Why could you not use the same kind of creativity to put some job creation plans forward? I am not saying spend more, but let us put our energy back into putting people back to work.

Again, my specific question is, how much more do you really want to push the morale of this country?

Mr. Soetens: Madam Speaker, it is interesting that the member started off and threw a bunch of daggers and then said he would not throw any daggers on the debt, so I will not throw any daggers either.

I would just point out that when the morale of this country was good—and I will acknowledge that—the deficit went. We doubled the debt in the period up to 1977, in two years. We doubled it again three years later and we doubled it again four years after that. Within a period of about eight years, the opposition quadrupled the debt. Perhaps that is even quadrupled. Anyway, it is a big number.

You ask how we are going to change the morale? Well, we are changing the morale because we are making long-term decisions.

The GST is not just an isolated program. There is a number of companies in my riding which were real winners by the GST because we got rid of an unfair manufacturing tax. That is how to start to improve situations in this country. That is how to help those people who create the wealth you were talking about. There is no other way to get out of the dilemma this country faces other than improving the over-all wealth of Canada, the over-all generation of funds through job creation and through investment decisions. It is the GST that has made a lot of those decisions easier. People will be willing to make those decisions and spend the money on GST as long as they can be assured that the money will be targeted against the very thing that you and I have

raised, and that is the debt. This bill guarantees that will happen.

The alternative is we could tell the truckers tomorrow that we will reduce the taxes on their concerns. It is easy to do. It just raises the deficit. Morale would be great, but you know my kids do not want their morale shattered like that.

Mr. Rey Pagtakhan (Winnipeg North): Madam Speaker, I would like to make a brief comment in this debate.

The member from the government side speaks of the deficit of money. I wonder why he neglected to mention a very fundamental deficit and that is the deficit of the people, the poor of our country. To me it is a real deficit. Because of the poverty of over 1 million Canadians, many of our children drop out of school. When they drop out in alarming numbers, they develop no skills to prepare them for the work force.

Does the member not see that preparation of our youth for the work force will guarantee the future of our country, guarantee their employment and guarantee our productivity?

The Senate of Canada recently issued a report and I wonder if the member has read that report on poverty. In it is mentioned very clearly that if we invest $5 billion today, 20 years hence we will have a return of some $28 billion to this country in terms of increased productivity, increased taxes from the revenues that will be generated from these workers, reduced payment to the welfare assistance program because these people will be productive, and so on.

I ask the member what proposal would he have to solve the problem of poverty out of this GST income? I would suggest that for this to proceed, a fund from the GST has to be earmarked for the poor of our country.

Mr. Soetens: Madam Speaker, in my speech I made a comment about people lining up to spend money that was not there and you have just had another example of people lining up wanting money. This money has simply replaced the federal sales tax. So, to this point there is not all this extra money.

The member talks about the deficit of the people and I understand his concern and it is a very legitimate concern. He says there was a report that if we simply threw $5 billion at the problem today, we would get $28 billion back, I believe, in 20 years is what he said. That $5 billion today is $5 billion that is borrowed. Compound interest on that $5 billion over 20 years, I do not know what it would be worth, but it would be a lot more than $28 billion. So it is a net loss.

The point is that we are not short of money in the education system. That point has been made. Canada has one of the highest per capita expenditures on education in the world. Our problem is that we are not educating the students with the money we are putting in the system. Maybe that ought to be reviewed. There are a lot of students coming out of schools who are unable to read or write. How come? How come they can go to school and not come out at the other end with a useful skill? So, I do not think throwing money at it is the solution. Perhaps we have to readdress just how the money is being spent to ensure that we in fact accomplish some of the things that the hon. member is concerned about. Yes, there is a deficit, but simply throwing money at the problem is not the answer.

• (1030)

We have to invest money wisely in job creation. We also have to invest money to ensure that those creators of wealth have the opportunity to multiply their successes to address the very concern that the member has raised.

Mr. George S. Baker (Gander—Grand Falls): Madam Speaker, I have just a few words on this bill at second reading stage. Of course, at second reading stage we are debating the principle of the bill.

I presume, after reading the title of the bill, that the principle of the bill is that 7 per cent tax that everyone pays. No matter where they go they cannot avoid that 7 per cent tax. If they go into a store they pay the 7 per cent tax. If they get into a taxi they pay the 7 per cent tax. Why, we even pay it when our life is ending. It is everywhere. The principle of this bill is to take that 7 per cent GST and eliminate the debt of Canada over a period of time.

It strikes me that there is something seriously wrong with that approach if the tax is unevenly distributed throughout Canada. In other words, people in northern Canada or British Columbia or Newfoundland, people at the far extremities of this nation, cannot just go down to the factory or close to a factory and purchase an item. In between the point from which an item is manufactured in Canada and the point at which someone buys it, in

between that space, there is a proliferation of that 7 per cent GST.

In other words, it could be argued that someone who lives in British Columbia pays more into the GST fund than someone who lives where the item that person is buying is manufactured. Someone who lives in northern Canada would also pay more. The item has to be manufactured, trucked to a distributor, taken by the distributor, moved to the retailer and then sold to the individual.

Is it really fair for the government to say that it will retire the debt of Canada by means of the GST and as a result have people in the far extremities of this country shouldering a greater percentage of the national debt on a per capita basis than other people? The actual principle of the bill is faulty.

Living in provinces that already have a high retail sales tax is quite different from living in a province that has no retail sales tax. It started with the telephones. People picked up their telephone bills and saw that the federal government had now gone into retail taxes on long distance telephone calls. They looked at the bill and saw one tax added to the total cost and then another tax, and they were paying double on that tax. It was not just 8 per cent plus 7 per cent to make 15 per cent. It was 8 per cent on the total amount and then 7 per cent on that total amount, which added up not to a 15 per cent tax but a 16 per cent tax and a 17 per cent tax.

When you look at the tax itself, it is unfair because—

An hon. member: Oh, oh.

Mr. Baker: The hon. member for St. John's East is pointing out, and I agree with him, that in Newfoundland we pay a very high provincial sales tax and now this outrageous 7 per cent GST on top of it. We end up paying over 20 per cent sales tax because there is a tax on top of a tax. The tax idea of the GST was faulty right from the beginning in that it presented a situation where the GST would generate a 7 per cent sales tax in Alberta but people have to pay 20 per cent in Newfoundland because there is a provincial tax on top of a federal tax.

An hon. member: Oh, oh.

Mr. Baker: The hon. member from Alberta is pointing out that one tax is provincial and the other one is federal. I already said that.

Is it really fair to have a bill like this that says: "Well, all right, we are going to take all the revenues from this and we are going to retire the national debt on that basis."

The ordinary Canadian must be sitting back and saying: "Well, my goodness, if that is going to take care of the national debt then what about all the other things that the Government of Canada brought in which it said were to take care of the national debt?"

The government totally changed the unemployment insurance scheme in this country on the basis that the national debt needed to be serviced and it could no longer afford to contribute to the unemployment insurance scheme. Day after day in this Chamber we listened to the minister saying: "We have got to get out of unemployment insurance because we have got to retire this national debt. We cannot afford to be part of the unemployment insurance scheme any more and we are now going to make it more difficult to get unemployment insurance". It then brought in this outrageous scheme where people now have to figure out which side of the line they live on. If they live on this side of the line they need 13 weeks to qualify, if they live on this side of the line they need 10 weeks to qualify. That was all in the name of retiring the debt. Every public servant was sent these memos saying that they were making a great contribution toward retiring the national debt.

In the case of the unemployment insurance bill—I recall it was C-21 and this one is C-21—the government had a gold button it sent to all the public servants, or gold plated I suppose but not really gold, saying C-21. Everybody got it this past year. Lo and behold, open up the button and it says: "Made in the U.S.A.". It sent them mugs that said: "Working together for the retirement of the debt". If you turned over the mug it said: "Made in Taiwan".

We have listened to the government say: "We are going to retire the debt, get rid of the debt and that is why we changed the unemployment insurance scheme". The government even removed the railway tracks in some provinces on the basis that it could not keep making those expenditures because the national debt was too high. It discontinued the railway services. We can no longer go to North Sydney, Nova Scotia by railway because that service has been discontinued from Truro. In Newfoundland there is no more freight service at all and practically all the tracks are up now. I think the tracks are being sent to somewhere in Venezuela. The

railway ties are being piled up but they are not much good. It left a big roadway across the province. I only wish Newfoundland had made a settlement with the Government of Canada to pave them or something so at least it could be used instead of just having some crushed stone there.

All of this was done in the name of the national debt.

• (1040)

Madam Speaker, I can recall them standing in this Chamber and saying that they must now impose great restrictions on our postal service because of the national debt. That was the rationale.

Canadians would turn around now after hearing about this bill and say: "Oh, does this mean we are going to get back our post office now because we lost it because there needed to be payments into the treasury because of the national debt". They lost their post office because of the national debt.

It takes two weeks on average for a letter to be sent from point A to point B in this country because of the national debt. I know members of Parliament get these surveys all the time conducted by learned consulting groups and accounting firms that say: "The service is great." That is only if the letter is addressed and typewritten, put out by a computer and the address is directly in the centre of the envelope. Not if one sits down and writes the address.

Every member of Parliament is being phoned by students saying that their student loans have not been approved although the notification has been sent to the university. As one knows, students go and pick up their student loans at the university. Notification has been sent, but it has not arrived there yet. It was sent out two weeks ago. So and so wrote a letter to her granddaughter last Christmas some time and it arrived just the other day. All of this was done in the name of the national debt.

The transfer payments to provinces for health and education were cut in the budget because of the national debt. Does this mean now that the Government of Canada is going to turn around and reinstate the transfer payments to the provinces for health and education, for the running of our hospitals, for equipment in our hospitals? Hospitals today are under this incredible squeeze, all by provincial governments, because the provincial governments were cut back by the federal government in the name of retiring the debt.

Every budget speech, if one goes back over and looks at them every year, and that was the rationale. There was no other rationale. It said: "We have to cut down on transfer payments to provincial governments for hospitals, health and post-secondary education. Why? Because of the national debt. It was not because of anything else. That was it. That is all.

Does this mean now with this 7 per cent of everything in this country, when an individual walks into a store anywhere, he or she pays 7 per cent and all this money goes into the retiring of the debt? And this is going to retire the debt, this is what is needed to retire the debt?

Does this mean now that the federal government—it would make sense— would turn around and reverse what it did in the previous budget, which was to state that in order to retire the debt, it had to reduce the payments for health and post-secondary education in the provinces?

It is one or the other. Either this is going to reduce the debt, or it is not going to reduce the debt. Either this is the sole means of doing it, or all of these other things have to be done as well to do it. The question is: What is it? Why is the Government of Canada behaving every single day like some massive tax grabber?

Madam Speaker, here is a good one for you. You will be interested in this, coming from Montreal, Quebec. I obtained a copy of a proposed new cost recovery policy. Why is it there? It is there because the federal government continues to say day after day, month after month, to the Public Service of this country: "Look, you've got to find ways of raising more money. We want you to collect more money. We want you to cut back."

The federal government brought in a scheme three years ago to give a manager in the Public Service a bonus if he could find ways of collecting new taxes, to give him as bonus if he could get rid of more people. They called it a productivity bonus. In other words, if you cut down on the numbers of employees under you then you received a cash bonus before Christmas, a productivity bonus. It was

really pay-offs for lay-offs. That is what it was. You cannot blame the Public Service.

Now here is a good one for you, Madam Speaker. This one was just the other day. Here is the statement: "Earmarked taxes," which is what this is in this bill, "could take the form of a charge on commercial carriers or on shippers in relation to the value of the cargo, or to the water transport charge, or a charge based on fuel purchased."

Of course what this is is a discussion paper, a proposed new cost recovery policy for the Department of Transport. As you know, there were various measures enacted recently by Transport Canada to increase the taxes at airports where airplanes are charged a fee for landing and then new airport taxes were put on top of that and existing ones were increased. The authority to do that was found under the Aeronautics Act. It is quite simple.

Beyond that authority one finds in individual acts the Government of Canada was stymied, it did not know how it could extend that principle which was contained in certain pieces of legislation to a broader spectrum to allow government departments and civil servants in managerial positions to be able to come up with ideas to have more taxes, to earmark more taxes for specific reasons. It found the solution in this session of Parliament and it went through this House in the Financial Administration Act, and members who were on the finance committee would know what I am talking about. The Financial Administration Act was changed to encourage and to allow government departments to seek ways of raising new taxes within their department.

Here is one of them. Now what is this? What does it mean? What it means is that the federal government is now going to have an earmarked tax on buoys. On buoys. Not on men or women, but buoys. These are buoys. Of course I looked it up and it said they do not call them buoys, they call them floating navigational aids. They say here, here's a brilliant statement: "In many parts of Canada most floating navigational aids are removed during the winter." A very intelligent statement, especially when the ice is around. A continuing "nav-aids" charge would still be justified because non-floating navigational aids remain available and winter replacements are installed in many cases.

Well, it is kind of difficult when there is ice for a hundred miles. How does one navigate over ice or under ice for 200 miles? One is still going to be charged for it. Yes, one is still going to be charged.

I notice you telling me two minutes, Madam Speaker. I have not even got to the point of the bill that I was going to talk about but I will continue with this point. The federal government is in this psychology of earmarking taxes, of having government departments devise means of taxing people.

• (1050)

Here is one here that says it is now going to make a charge on cargo. Here is the suggestion to the government. I do not know whether it is going to do it. Some of the companies think it is going to do it. Companies right across Canada were sent letters by the government saying it was going to do it. It is going to tax you for using buoys in the water, so much per nautical mile.

It comes from this order by the federal government that you have to tax everything. You have to collect more money to pay for this, pay for that, pay for something else.

An hon. member: At least we are paying for it.

Mr. Baker: Madam Speaker, the hon. member says: "At least we are paying for it." Well, Madam Speaker, if you add up all the things that it brought in taxes on, and you add up all of the things it has cut out, if you add up all of the things it has removed, now it says: "Oh, no, we did not get any money from that at all, now we are going to get it from a new 7 per cent tax."

I would strongly suggest to the Government of Canada that it restore all of these things it has cut. Why not be honest with the Canadian people? Stop wasting money, stop wasting the taxpayers' money everywhere one looks, and stop overtaxing the people of this country.

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker—

An hon. member: Run up the debt.

An hon. member: That is what we would call an incestuous—

Mr. Reid: Yes, incestuous, but I will not go into it in this House. I will be apologizing later.

It is a great pleasure as usual to follow my friend and colleague and countryman, the hon. member for Gander—Grand Falls. I had the privilege just last week to be driving on the Trans-Canada highway in Newfoundland. As I came up the hill out of Benton, it was very confusing all of a sudden. It was mid-day. I thought for a second I was in the middle of the big runway at the international airport in Gander. Here was blacktop, pavement, six lanes of pavement. I did not know where it had come from. It had no lines on it. I did not know which was the passing lane, which was the new shoulder. We do not have shoulders on the paved roads in Newfoundland much. But now we do. All we have are little yellow dots down the road. As sometimes is the case, some people were driving a little quickly. There was an RCMP officer coming and we all slowed down and I had the opportunity to look. There is nothing but pavement.

Do you know what the big issue is today in the town of Gander? The bypass. Where are we going to put the road: through or around Gander? But, Madam Speaker, as you know, except at certain times every four years in Newfoundland, pavement just does not arrive from nowhere. Pavement is paid for. It is very expensive. We are talking over $1 million a mile. That is for what we are used to, which is two lanes, but now we are going four lanes right across the province. All through my constituency it is four lanes. Into Gander it is four lanes.

You should see what they are doing in Corner Brook with bypasses and overpasses and underpasses. Do you know where that is coming from Madam Speaker? That is coming from the $800 million that this government was able to pay to the province of Newfoundland and Labrador: "Let us sign an agreement. The railway is not being used, it is a disincentive to industry, it is a disincentive to transportation. Let us build the roads that are essential through this province so that we have half a chance to transport goods around the province."

Very quickly if I may, Madam Speaker, on this GST. We are talking about cuts in the government. This government has not cut 2,500 jobs out of its Public Service, just like that. Like the Government of Newfoundland and Labrador has done, just like that. Just like that, 2,500 jobs gone this year. And what, in the name of good financial and fiscal management?

Wage freezes. We live in a small society in Newfoundland and Labrador. We tend to know each other. We have neighbours, we have friends, we have relatives that come and go in our lives in politics and in business and that sort of thing. That gives us an opportunity to speak to these people, people that we went to school with, our cousins, perhaps our brothers even. It gives us the opportunity to pass messages along.

If my brother were the President of the Treasury Board in Newfoundland and Labrador, I would tell him first of all that he should not cut these jobs, he should not close six hospitals, he should not close technical schools. The last thing I would tell my brother if he were President of the Treasury Board is that I would not take the goods and services tax and harmonize it with the provincial sales tax, as is happening in Newfoundland and Labrador. But my brother is not the President of the Treasury Board.

Mr. Baker: I thought the hon. member heard me when I said that I was not my brother's speaker. But I might remind the hon. member that when he referred to Benton, the community of Benton is just outside of Gander, and he is correct, it is on the Trans-Canada Highway. I must admit when you do go up over the hill, you are confronted by all of this blacktop. Now, in Newfoundland when you have got good pavement that is what you call it, and everybody just looks forward to having paved roads. I mean, there are parts of my federal riding that have these dirty rotten dirt roads and you are down to the crank case in mud in the spring and you cannot move, and this sort of thing.

But I must admit that when you come up over that hill in Benton and you see all of that beautiful new pavement, well there is a reason for that. That is the beginning of the riding of that great Liberal member who called the tenders and his name happens to be Winston Baker.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I would like to get back to the bill. It is all very well for us to have an historical accounting of how they build roads in Newfoundland, but I want to ask my friend and colleague about the bill.

The annual deficit is the object here of this initiative. I want to ask the member, if he really believes this is nothing but smoke and mirrors on the government's part, in his opinion will this change the debt position of the government in any way? Will this create any new income? Will it bring in new revenues? Will it prevent it from spending further than it has spent, like it announced today, or yesterday? Rather, they are moving 200 public servants from the riding of Ottawa—Vanier to Regina. Welcome: "Oink, oink, oink," as Jeffrey Simpson says this morning. Welcome again to Brian Mulroney's Ottawa.

Ladies and gentlemen, you haven't learned anything yet. It moved 200 public servants to Regina and it found $236 million for the so-called TRIUMF KAON particle accelerator.

I just wonder if the member could comment briefly on how this bill is going to prevent this government from going: "oink, oink, oink," come every election time.

Mr. Baker: Madam Speaker, I must admit, and people looking at this must think it is quite a coincidence, all of a sudden for the Government of Canada to find all of this money to develop an industry that has been demanded in British Columbia for years. The scientists out there have been demanding it. They have been demanding it year after year after year after year to create those jobs. All of a sudden, what a coincidence. The day the election is called out there, yes, the very minister who used to be in the cabinet out there with that government goes down and announces that particular expenditure.

Meanwhile back in the hon. member's riding now, what do they have? They have all of the employees there being offered zero per cent wage increases. And all at the same time, we have 4,600 of the upper management people getting their bonuses. So that is the Government of Canada's way, it is entirely political, and I am sure that all we can look forward to for the next two years are political announcements, loads of money to spend, because they have taxed everybody to death.

[*Translation*]

Madam Deputy Speaker: It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S.O. 31

• (1100)

[*Translation*]

INFLUENZA INFORMATION MONTH

Mr. Charles-Eugène Marin (Gaspé): Madam Speaker, I would like to draw the attention of the House and Canadians in general to the fact that September is influenza information month, jointly sponsored by the Canadian Diabetes Association, the Canadian Lung Association, the Canadian Medical Association and the Canadian Public Health Association.

The purpose is to promote the vaccination of high-risk groups, and I am sure you will agree, from personal experience, Madam Speaker. People at risk are usually those over 65 and and those suffering from chronic illness such as asthma, heart disease or diabetes.

These people should get a flu vaccination to protect themselves against infection and avoid often serious complications. All high-risk individuals are urged to make an appointment with their doctor or call their public health office for further information. The flu vaccin is now available and all those —

Madam Deputy Speaker: Unfortunately, the hon. member's time is up, but I would like to thank him for his excellent advice.

* * *

[*English*]

YUGOSLAVIA

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, on Tuesday on behalf of the Liberal Party, I called on the Prime Minister to support the ceasefire in Yugoslavia, and to act on the request by the presidents of Yugoslavia and Croatia for peacekeepers from the United Nations. I congratulate him on the speed with which he acted on our suggestion.

I trust, however, that Ambassador Fortier will do more than just inform the United Nations Security Council and the European Community. Canada's position, in light of the new internationalism, must be to place individual and minority human rights above the absolute rights of sovereign states.

I met yesterday with representatives of the Canadian Croatian Information Centre. These Canadians, many of whom are sitting in the gallery right now, know it is possible for all people to live in harmony when there is true democracy. One woman said: "This war should not been seen as Serbs against Croatians. It is democracy against communism".

If true democracy is to prevail, the UN must act now.

* * *

THE ECONOMY

Mr. Garth Turner (Halton—Peel): Madam Speaker, two days ago in this House the hon. member for Hamilton West quoted some of my words to the press. It was his intent to demonstrate that I did not agree with the Minister of Finance that the recession is over.

This was a highly partisan attempt to gain a few political points, and the member ought to be ashamed of himself. As usual he was ill-informed and misinterpreted my statement.

As both he and I know, leading economic indicators show the recession is clearly over. Unemployment figures also show that it will take some time before all of the lost jobs are regained. Until those jobs come back, neither of us I am sure, will be satisfied.

I have no hesitation in saying that the policies of the Minister of Finance, including spending restraint, falling interest rates, low inflation and deficit reduction are the very reasons those jobs will be regained and will be permanent.

* * *

LINGAN MINE

Mr. David Dingwall (Cape Breton—East Richmond): Madam Speaker, the closure of the Lingan mine in my constituency of Cape Breton—East Richmond will undoubtedly have a negative effect on our economy, an economy that is already hurting.

On previous occasions in this House I have warned both the federal and provincial governments that the opening of the Westray coal mine in Pictou County, Nova Scotia, would mean in effect the closure of the Lingan mine in Cape Breton.

On several occasions, both in Question Period as well as statements, I have brought this to the attention of the Prime Minister. I am supported by senior management of the Cape Breton Development Corporation, a federal Crown corporation, which has supplied information to the Government of Canada that if the Westray coal mine proceeded, Lingan would have to close.

Details of the compensation package which was worked out between union and management for the displaced workers at Lingan has yet to be announced. I insist that the president and the board of directors of the Cape Breton Development Corporation, as well as the minister, honour their commitment and provide the details of that compensation package immediately and not waste any more time in providing those answers.

* * *

INTERPROVINCIAL TRADE

Hon. Alan Redway (Don Valley East): Madam Speaker, for over 124 years, Canada has been closely linked by interprovincial trade. Six provinces; Quebec, Prince Edward Island, Nova Scotia, Manitoba, Saskatchewan and Alberta trade more within Canada than they export to foreign countries.

Of the three largest manufacturing provinces, only Quebec is more dependent on trade with other Canadian provinces than on foreign trade. Quebec's manufacturing shipments are roughly split between international markets and the rest of Canada. In 1989, 14.5 per cent of Quebec's shipments of manufactured goods went to Ontario. Only 5.9 per cent of Ontario's went to Quebec.

Interprovincial trade is vitally important to all provinces. If Canada breaks up and trade flows are disrupted, each and every one of us would personally be worse off than we are today.

* * *

THE ENVIRONMENT

Mr. Jim Fulton (Skeena): Madam Speaker, the co-chair of the International Joint Commission Science Advisory Board has called for a declaration that chemical contaminants in the Great Lakes are a hazard to human health.

Some 37 million Canadians and Americans are facing health threats ranging from infertility to birth defects from the toxic wastes dumped into the five lake system. This adds to the urgent IJC call for an outright ban on the 11 most persistent toxics and demonstrates once again the need for a zero discharge timetable, solemnly

promised by the Prime Minister four years ago. Further delay would be criminal.

On Wednesday, the minister of energy attempted to abandon Canada's commitment on global warming. He said, and I quote: "It is Canada's policy to stabilize greenhouse gas emissions by the year 2000".

On November 7, 1990 in Geneva the Minister of the Environment stated, and I quote: "Canada has pledged to fully eliminate controlled CFCs by 1997. We have also committed, as a minimum, to stabilize at 1990 levels all other greenhouse gases, most notably carbon dioxide, by the year 2000".

Let us trust that Canada did not lie in Geneva.

* * *

FARM CREDIT CORPORATION

Mr. Geoff Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I applaud the announcement by the Minister of Agriculture that FCC headquarters will at long last move to the prairies.

The bulk of farm credit business is on the prairies. The base of Saskatchewan is agriculture. The move makes sense. However, it will come as no surprise to westerners that the opposition parties are bellyaching about this long overdue decision.

The Liberals call it a crass effort to buy votes. What hypocrisy. Ottawa Liberal members should stop toadying to Daryl Bean long enough to understand that a considerable part of Canada lies beyond the lush pastures of the national capital region.

The NDP are no better. They have 10 members from Saskatchewan who should be elated about this relocation. But no, they are so tied to the apron strings of the Public Service Alliance and the big Ontario union bosses that they are forced to do what they do best, criticize, find fault and be negative.

I congratulate the Minister of Agriculture on this relocation, which demonstrates the continuing commitment of this government to bring federal institutions and agencies close to the people they serve.

[*Translation*]

EASTERN ONTARIO'S ECONOMY

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, the economic recession has again hit the riding of Glengarry—Prescott—Russell. Yesterday, St. Isidore Meats Inc., the only pork abattoir between Toronto and Montreal, announced it was closing, laying off its last forty employees. A few months ago, thirty more people lost their jobs in St. Isidore.

Madam Speaker, it seems that every week another disaster strikes the people of Glengarry—Prescott—Russell and eastern Ontario. This morning, I would again like to tell the government opposite that my colleagues from Stormont—Dundas and Renfrew—Nipissing—Pembroke, I and twenty-eight municipalities of eastern Ontario asked the government to act and set up a development program for our region. We need it now.

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DECENTRALIZATION

Mr. Gilles Rocheleau (Hull—Aylmer): Madam Speaker, the Mulroney government is literally draining the national capital with its decentralization policy, which I have decried many times. After the move of the National Energy Board to Calgary in July, the national capital is now dealt another blow with the announcement of the transfer of the head office of the Farm Credit Corporation from Ottawa to Regina. Quebecers will have no alternative but to leave Quebec to pursue their career in Saskatchewan. Since the constitutional offers are about to be presented, we can expect this haemorrhage to intensify and in the worst case, gifts to be given across Canada to help the "pill" go down. The decentralization of thousands of jobs has very serious consequences for the Quebec side of the Ottawa River. It is high time that Quebec took back all its powers and became sovereign.

• (1110)

[*English*]

WOMEN'S RIGHTS

Ms. Dawn Black (New Westminster—Burnaby): Madam Speaker, women are marching this weekend in cities across the country to take back the night. Shelters for battered women are unfunded. Women's sexual histories are on trial once again.

An all-party report of the House of Commons subcommittee on the status of women called for a strong rape shield law, adequate funding for shelters and crisis centres, mandatory gender sensitivity training for judges and members of Parliament. The need has never been more evident.

Recent events here have shown Canadians the type of behaviour that is sometimes directed at women members of Parliament. It is not hard to see why there is no pay equity when a government representative, responsible for pay equity, makes offensive comments about women.

New Democrats call upon this government to implement the recommendations of that report now.

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[*Translation*]

ADMINISTRATION OF JUSTICE

Mr. Ken Atkinson (St. Catharines): Madam Speaker, this week saw 15 innocent people charged and summoned to appear in criminal court. Among them was the Commissioner of the RCMP and two members of the force.

[*English*]

These charges resulted from private prosecutions under section 507 of the Criminal Code. This section allows a justice of the peace, who sometimes has no legal training, to determine if a summons should be issued. It should be changed to require a judge or a Crown attorney to review the evidence and charges before they are continued.

Fifteen people spent an intolerable summer with their reputations tarnished because of the media's misunderstanding of private prosecutions and the vengeful mind of one person. It even hurt our entire country by causing an unwarranted run on our dollar.

This misuse of our justice system should not be allowed to happen to any citizen of our country again.

* * *

ECONOMIC DEVELOPMENT

Mr. Bob Kilger (Stormont—Dundas): Madam Speaker, the city of Cornwall and other communities in eastern Ontario need a federal economic development program now.

Federal programs such as FEDNOR and the Canada-Quebec Subsidiary Agreement have proved to be beneficial to northern Ontario and particular regions of Quebec. A similar program is required for economically depressed areas in eastern Ontario.

Unemployment is well above the national average in Cornwall, where over 1,500 lay-offs and job losses have occurred in the last two years. The absence of an economic development program has inhibited businesses and investment from locating in eastern Ontario.

The negative impact of cross-border shopping and the geographic reality has eastern Ontario up against northern New York state and western Quebec in attracting business and investors. This places border communities like Cornwall at a distinct disadvantage.

Cornwall, and cities like Pembroke and Hawkesbury, need an federal economic development from this government immediately.

* * *

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the Conservative government continues to attack the Ontario government for its budget deficit and, at the same time, faces a situation where its own deficit is rising far faster than it projected in the budget last year.

The latest figures show that for the first four months of this fiscal year, the budget deficit that the Conservative government is running is twice as high as the budget deficit which it ran last year. At that rate we are looking at a potential budget deficit of over $35 billion.

This is not something this government can use as ammunition if it seeks to show the rest of the country that fiscal rectitude is an important consideration.

EARTH SUMMIT

Mr. Arnold Malone (Crowfoot): Madam Speaker, an extraordinary event will take place next year when more than 100 world leaders will meet at an earth summit in Rio de Janiero. We will be discussing preservation of the ecological integrity of the planet. We will also be discussing the integration of the environment and the economy in both developed and developing countries, and the need for a partnership between north and south.

The earth summit is officially called the United Nations Conference on the Environment and Development. It will take place in Rio de Janiero June 1 to 12, 1992.

The Government of Canada is actively preparing for the conference in concert with partners in the provinces and the territories, in industry, in environmental and development groups. We are working with our aboriginal people, Canadian youth, women's groups, religious and peace organizations, scientists and academics, all of whom are part of the Canadian team. The delegation has requested that this example be emulated at the international level.

* * *

VICTIMS OF VIOLENCE

Mr. Stan Keyes (Hamilton West): Madam Speaker, Canadians reeled in shock this past summer at the tragic deaths of several young Canadians. In southern Ontario two young women, Leslie Mahaffy and Nina DeVilliers, and a child, Kala Klaudusz, met violent and needless deaths.

Canadians have expressed shock and horror at these incidents and are asking themselves where is the justice. People see the perpetrators of violent crimes released prematurely from jail, violent offenders are walking the streets on day passes.

Canadians are asking themselves: "Why is our justice system working against us? How can we be protected against violent offenders today and in the future?" Both society at large and the victims of violence are demanding that justice be done. We must remember to put a face to these tragedies.

During this fall session I will table a private member's bill dealing with the rights of victims of violence. It will give the victims of violence a stronger voice in the disposition of convicted offenders and will return to society a sense of security and faith in their system of justice.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Mr. Jim Peterson (Willowdale): Madam Speaker, my question is directed to the Minister of Finance. The government says that the recession is over, but the economic indicators say otherwise. Manufacturers' deliveries are down. The trade surplus is at its lowest level in ten years, and unemployment continues to increase. When will the government at least admit that its policies are harming the Canadian economy?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, quite the contrary. The hon. member knows there was substantial growth recorded in the second quarter. The budget projections of February 1991 assumed that recovery would start occurring in the second half. Recovery has actually started one quarter earlier than that which was projected and it was at a very robust level of 4.9 per cent on an annualized basis.

We projected all along that the recovery would be modest to moderate and we projected growth in the order of 3.1 per cent in 1992. We now anticipate that growth will be something in the order of 2.5 per cent to 3 per cent in the second half.

Export volumes have increased by over 25 per cent at an annual rate in the second quarter. Business confidence is up. Consumer confidence is up. Housing starts are up. Housing sales are up. All of these are positive indicators that lead me to believe that we are on the road to a sustainable moderate recovery.

Mr. Jim Peterson (Willowdale): Madam Speaker, yesterday the Canadian dollar closed at 88.09 cents. Will the Minister of Finance give to this House the name of just one Canadian industrialist who has come up to him and said: "Thank you, Minister. Your high-dollar policy is really helping us to compete and to create jobs in Canada".

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is intelligent enough to know that you cannot artificially manipulate the value of the dollar. There are market forces at play that contribute to the value of the dollar, and I remind him that notwithstanding the fact that interest rates have declined by over 5.5 per cent, or 550 basis points, from last year, the spread has declined from about 565 basis points to 280 basis points.

Notwithstanding that fact, when we had the high spreads and the high interest rates the dollar was worth 84 cents. Interest rates have come down. The value of the dollar has gone up.

This tells us that there is confidence in the Canadian economy and strength in the integrity of the Canadian dollar. That should be applauded and not be criticized.

• (1120)

Mr. Jim Peterson (Willowdale): Madam Speaker, for this minister to support his high dollar policy is totally wrong.

Labour does not like it. Small business does not like it. The Canadian Manufacturers' Association said: "It is putting Canadian manufacturers out of business and their employees out of work." Who is wrong, Canadians or this government?

Will this government reverse its high dollar policy to help resuscitate Canadian industry and get Canadians back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, one of the contributing factors to the upward pressure on the dollar is the fact that the provinces have been borrowing very extensively in the international marketplace.

As a matter of fact, in the first half of this year, they have borrowed $10.9 billion in new debt issues. That is double the amount of the whole year of 1990. That puts upward pressure on the dollar.

The other fact is that North America is a safe haven for investment when there is uncertainty throughout the world, and that is another contributing factor.

I remind the hon. member that the President of the National Bank, Andre Berard, as reported in *Le Devoir* as reported this morning, said that reducing producing production costs is just as important to economic recovery as readjusting to the high value of the Canadian dollar.

It is not just the value of the dollar that is contributing to our difficulties. It is production costs. It is labour efficiency. It is labour cost components. Those are the things that we must address together.

My colleague, the Minister for International Trade, will be unveiling a strategy to improve our competitiveness and our prosperity. That is a positive sign.

Hon. Herb Gray (Windsor West): Madam Speaker, I also have a question for the Minister of Finance.

Yesterday, the head of the second largest newsprint manufacturer in the world, Hugh Fletcher, speaking in Toronto said: "The difference between an 88–cent dollar and an 80–cent dollar is the difference between disaster and reasonableness."

Why is this government running an economic policy that international business leaders who have to make decisions about investing in Canada are calling a disaster? That does not sound like confidence to me.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, these same business leaders were complaining about high interest costs a year ago.

Interest rates have come down by 5.5 per cent. They are still coming down. The Bank of Montreal announced that its prime rate would be 9.25 per cent. That certainly is a far cry from the 22.75 per cent when that minister sat over here on the treasury benches.

Hon. Herb Gray (Windsor West): Madam Speaker, Canadians watching will note that the Minister of Finance neglected to respond in any way to the comments of Mr. Hugh Fletcher, international business leader and head of the second largest newsprint manufacturing company in the world.

Mr. Fletcher also said, speaking of the monetary policy, the high dollar policy of this government, that the Governor of the Bank of Canada is "killing prospects" of international investors putting more money into our crucial forest products sector.

Why is this government acting to kill prospects of international investment in the forest products sector if it is interested in international confidence and business

leaders like Mr. Fletcher investing in Canada? Why does it not reverse its harmful economic policies right now?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, perhaps I should remind the hon. member and Mr. Fletcher that the average value of the Canadian dollar over the last 40 years was 92.6 cents.

When he talks about the value of the high dollar, on a historical basis he is right out of kilter on this thing. The fact of the matter is that the dollar, as he knows, is set in the marketplace. There is intervention by the Bank of Canada to ensure that there are not erratic ups and downs in the level of the interest rates. It is the marketplace that establishes the rate.

In so far as investment, there has been a turnaround of about $7 billion since the free trade agreement came in. Before the free trade, there was a net outflow of investment dollars. As a result of the free trade, the investment policies and the confidence that business has in this government, there has been a net inflow of investment dollars.

* * *

[*Translation*]

POVERTY

Hon. Audrey McLaughlin (Yukon): Madam Speaker, my question is directed to the Deputy Prime Minister. Yesterday, we again heard that nearly one-third of single parent families live in poverty. One child out of five lives in poverty. Here is my question. We are about to debate the future of our country, and during this debate, we cannot afford to ignore these frightening figures because these children are our future. For many years, this government has failed to take any new measures to deal with a disastrous situation. What is the government going to do, not in a couple of years but now?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): As I indicated yesterday, Madam Speaker, this government has initiated a number of programs that has improved the situation of children. I agree with the hon. member that children and the family unit are basic to our society. We have attempted through tax reform to try to improve the lot of families, in particular with respect to children.

I also want to remind the hon. member that since we have come to office, more than 1 million people have been taken off the poverty roll, which includes over 300,000 children. The changes to the child tax credit and the various tax credits that have been provided to lower and middle income people and the refund of the GST tax credit, all of these things are in recognition of the very important fact of family life, and particularly those families who live on lower and middle incomes.

Always we wish that we could do more. The minister of health is currently looking at a number of child initiatives which are being developed. When they are developed, they will be announced in the House in the appropriate fashion.

Hon. Audrey McLaughlin (Yukon): Madam Speaker, this government has been in power since 1984. It is time to stop wishing and put in some initiatives for these children.

On November 24, 1989, this House unanimously—including the Deputy Prime Minister, the Minister Responsible for the Constitution and the Prime Minister—voted unanimously to make a commitment to eradicate child poverty by the year 2000.

I ask the Deputy Prime Minister: As well as the initiatives that absolutely need to be taken now, and as we move into the constitutional debate, is the government seriously considering a social charter which would give specificity to these fine words that were uttered in 1989, two years ago, to really address the basic issues that will unite this country?

I ask the Deputy Prime Minister: Will his government seriously consider a social charter which will include the right of children to have a decent standard of living and to have food and shelter and education in this country?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Madam Speaker, one of the best ways that we can improve the lot and the confidence of children and future generations is to deal more effectively with the burden of debt which has been inherited by this government and which this government is trying to deal with without very much support from the New Democratic Party.

In so far as her question about a social charter, the hon. member will have access to the document next week. It will be presented in the House. It will be debated. I am sure that the hon. member will have an expressed point of view at that particular time.

As the Minister Responsible for Constitutional Affairs has stated on many occasions and as the Prime Minister has stated, this is a beginning and not an end. What the government is proposing is an advancement of proposals which we hope will find favour and we hope the hon. member and her party will engage in a further discussion to develop the kinds of programs and policies that will lead us to the kind of Canada that we all aspire to achieve in terms of a strong economy, a sensitivity to social concerns, but most important, a strong political unit.

Hon. Audrey McLaughlin (Yukon): My supplementary question is for the Minister Responsible for Constitutional Affairs. Canadians are very concerned that our health care is in jeopardy, there is no child care program, that poverty still exists in this country despite the words that we have said in this House.

Clearly we all agree that this country needs a shared commitment to making Canada the best place possible. I want ask the minister: Is he seriously considering, and will he consider in principle, that a social charter would give form and substance to those sentiments, and is he considering that now?

• (1130)

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Madam Speaker, one of the advantages of having specific propositions on the table, as there will be next Tuesday, is that some of the concerns that might have been raised about the contents of the proposals of the government will be allayed, will be answered by the publication of the specific document.

The hon. member will know that Premier Rae, in Ontario, who I understand is planning to publish a document with respect to a charter, had at one point been interested in bringing forward and devising a charter itself. His officials, as I understand it, encountered some difficulty in translating that interesting idea into a charter that would work and would be acceptable within the Canadian system.

I want to repeat what the Deputy Prime Minister has just said, that the proposals that we put forward on Tuesday are proposals that will be considered, that are designed to achieve real change in the Constitution, that are firm but that are not final. If it is the view of members of the Special Joint Committee on the Constitution that there needs to be improvements brought to that package, certainly we will look with an open mind on all practical improvements.

I emphasize that we are interested in improvements, things that will work, not simply proposals for change.

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SCIENCE AND TECHNOLOGY

Mr. David Berger (Saint-Henri—Westmount): Madam Speaker, my question is directed to the Minister for Science.

For the past seven years, members of this government have told Canadians time and again that there is no money for the National Research Council, no money for industrial research, no money for medical and environmental research.

My question to the minister is: Where has the government suddenly found the money to fund the KAON project?

Hon. William C. Winegard (Minister for Science): Madam Speaker, as the member knows, in the last budget of February there was $1.5 billion set aside for science and technology initiatives in this next several years. That funding is still in place and has nothing whatsoever to do with the KAON project.

KAON project funding, as far as the Government of Canada is concerned, would come in in later years and that funding is not at all a part of the $1.5 billion.

Mr. David Berger (Saint-Henri—Westmount): Madam Speaker, I am glad that the government has suddenly found a rich uncle. I would like to tell the minister that the line starts right here.

Is the minister saying that the government has now found money to support adequately university research, industrial research, medical and environmental research, or is this just pure political opportunism?

Hon. William C. Winegard (Minister for Science): Madam Speaker, I think it would be just as well if the hon. member would wait until he sees the proposals for spending the $1.5 billion.

Furthermore, I think it would be just as well if he waited until the consultations with respect to prosperity and competitiveness are over, until we see what further funding may be needed to do some of the things he has on his plate.

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FARM CREDIT CORPORATION

Mr. Mac Harb (Ottawa Centre): Madam Speaker, my question is for the Minister of Agriculture.

The news that the Farm Credit Corporation headquarters is being relocated to Regina has sent shock waves rippling through more than 200 families of public servants in the national capital region.

My question is: Why is the government fuelling public cynicism by announcing this move on the eve of a provincial election, and where is the immediate real support for which farmers are asking?

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, I want to inform the hon. member that the most valued resource that the Farm Credit Corporation has are the employees of Farm Credit Corporation.

The move and the relocation of some 200 headquarters staff to Regina will take place over the next 12 months. We hope it is concluded prior to the crop year.

The NDP seems to object to putting 200 jobs into the province of Saskatchewan, locating Farm Credit Corporation where 60 per cent of the clients that Farm Credit serve reside, where over 50 per cent of the dollars are lent out by Farm Credit Corporation. I do not understand why the NDP objects to it so much.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, as we know the Farm Credit Corporation runs on a non-deficit basis. The minister also knows that the cost of the move and future expenses will be borne by the farmers through higher interest rates. Clearly, the relocation is of no benefit to the farmers whatsoever.

So I repeat my question and ask the minister to answer me and not the NDP. Why is this government using public servants to interfere in provincial elections?

Hon. Bill McKnight (Minister of Agriculture): Madam Speaker, as the hon. member knows and as everyone in the House knows, the policy of this government is to locate the services that the government provides closest to those clients the department serves.

I draw to the hon. member's attention the relocation a of the National Energy Board to Calgary.

I draw to the hon. member's attention for the same rationale that over 60 per cent of the client group served by Farm Credit reside in the prairie provinces. More than 50 per cent of the dollars lent out by Farm Credit are in the prairie provinces. That will bring the Farm Credit Corporation and its headquarters staff closer to producers.

I say to the hon. member that he has recognized that Farm Credit operates on a break even basis or operates on a basis of no cost to the taxpayer. It also operates on a competitive interest rate policy. Its interest rates are competitive with any commercial institution in Canada.

The savings that will be acquired over the life of the corporation, as they are amortized over the life of the corporation for this move, will be consumed within the corporation and will benefit the farmers and the clients of Farm Credit.

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MEME BREAST IMPLANT

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, my question is for the minister responding for the Minister of National Health and Welfare.

In April Surgitex withdrew the Meme breast implant from the market.

On June 5, Carol Cyr was implanted with two Memes in a hospital in Montreal.

My question to the minister is: How could this happen? Is the Meme off the market or is it not?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, as the hon. member has indicated, the Meme breast implant was recalled and to my knowledge it is off the market.

Ms. Joy Langan (Mission—Coquitlam): Madam Speaker, the hon. minister should know that in fact the Meme has never been recalled by this government. It was withdrawn voluntarily by Surgitex.

On August 7, in a press release the minister said the Meme implant is not currently available and cannot be reintroduced until evidence is reviewed by Health and Welfare.

On September 5, the director of the minister's Bureau of Medical Devices said on CBOFT Radio when asked about Carol Cyr: "It is in no way the business of the federal department of health and welfare".

Could the minister tell this House just who is responsible?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Again, Madam Speaker, some of the statements made by the hon. member are correct. It is off the market. The minister of health has ordered his department to look into this issue again, as it has been raised on a number of occasions and it is of concern not only to the department but to all women in Canada.

With respect to whether or not a doctor proceeded after the recall, doctors were informed of the recall of the Meme breast implant. If a doctor did go ahead with such an operation, I would suggest that the person in question contact the appropriate medical college in order to file a complaint.

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THE CONSTITUTION

Mr. Garth Turner (Halton—Peel): Madam Speaker, Canadians are awaiting the announcement next Tuesday of the proposed changes to the Canadian Constitution. From what we hear so far, the west will get an elected Senate, Quebec will get distinct status, and aboriginal people will get self-government.

My question is to the Minister responsible for Constitutional Affairs. Will middle-class Canadians also get something they deserve: the entrenched right to own private property, including the right not to be deprived of that property without just compensation?

• (1140)

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Madam Speaker, I very much hope and believe that all Canadians can receive from this package and this process a country that is united and prosperous and that will be able to look to the future, turning all of our attention to means by which we can grow stronger and more prosperous without diversion of constant constitutional problems.

With regard to the specific question respecting property rights, I appreciate the strong representation that has been made by the member and by others in this House.

I cannot divulge the contents of the package until it is released by the Prime Minister on Tuesday, but I can tell the hon. member that the concern raised by him and by hon. members has been taken seriously by this government.

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ROMANIA

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, my question is for the Minister for International Trade in the absence of the energy minister, and it relates to the announced $315 million Cernavoda nuclear power station in Romania.

A report of the International Atomic Energy Agency last week indicated that fully a quarter of the station's safety problems has not been dealt with by the present government in Bucharest.

It would also strongly appear that the management of the Export Development Corporation is privately very hostile to this proposed loan.

Will the minister deal with both of those issues please?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, there has been a report by the International Atomic Energy Agency.

In this report it has noted a significant degree of progress from this time a year ago when it set out its

proposals as to what should be done to put the Cernavoda proposal in a position that it could be actively pursued.

We have followed this carefully. We believe that there is still further progress that must be made, but it is on this basis that we have moved forward with the financing from the Export Development Corporation in order to allow the proposal to be completed.

With regard to the second part of the hon. member's question, I am not aware of any opposition.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, the Iliescu government in Romania continues to inflict what are most often considered to be anti-democratic and authoritarian measures against many of its citizens.

What guarantees has the minister received that once the Atomic Energy Commission of Canada's management contract expires that the government there will continue to show concern for both the safety and human rights of the Romanian people?

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Madam Speaker, as I indicated, the international agency has observed some improvements in things in Romania.

It is a question of human rights that the hon. member has raised. This is something that has been a concern of the federal government. We will continue to make representations in that regard to the government.

As my hon. friend knows, there can be no guarantees in the future. However, what we can be sure of is that since this particular project will be very supportive of improving the standard of living of people in that country, and improving the standard of living almost inevitably leads to fewer excesses in the area of human rights difficulties, we are confident that that will take place in this regard as well.

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[*Translation*]

THE ECONOMY

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, my question is directed to the Minister of Finance.

The 1991 economic rendez-vous organized by the *Conseil du patronat du Québec* this week generated 48 job-creation projects, since no action plans were forthcoming from the Tory government.

Would the Minister of Finance be willing to lower the value of the Canadian dollar to help support projects that will boost the economy in Montreal, Quebec and Canada?

Hon. Marcel Danis (Minister of Labour): Madam Speaker, perhaps I may respond on behalf of the minister responsible for the Montreal area, who this week attended the economic forum referred to by the hon. member for Saint-Léonard.

The hon. member knows as well as I do that Montreal's economy is going through a very difficult period, largely as a result of structural changes. To help Montreal's economy back on its feet, we included in our February Budget a number of measures to reduce the deficit, bring down inflation and reduce unemployment. That is what we did. The hon. member asked what we are going to do now. If the hon. member would like to wait until Monday, when the Prime Minister will be in Montreal, he will see the results of our economic policy. for Montreal.

Mr. Alfonso Gagliano (Saint-Léonard): Madam Speaker, we already know what the Prime Minister will do Monday in Montreal: He will put on a big show to say that— We know what the situation is like in Montreal, Madam Speaker. It is pretty bad! Will the governement act responsibly and support these 48 projects or is it going to put them on the backburner, like it did with the Picard Report?

Hon. Marcel Danis (Minister of Labour): Madam Speaker, I can assure the hon. member that we intend to give very serious consideration to every project that is brought to our attention.

I would like to ask the hon. member who is so fond of talking about Montreal where he was when the Conservative government voted in favour of Bill C-21, which made it possible to invest more than $55 million in occupational training in Quebec? He was against the bill!

When we transferred the Space Agency to Montreal, what did the hon. member have to say? He was against the transfer. When we passed Bill C-22 on drug patents, what did the hon. member say? He was against the bill. Only two Liberal members supported the bill. One is unfortunately no longer with us, and the other one is sitting next to the hon. member. Obviously, every time

we do something for Montreal, the hon. member says no!

Some hon. members: Hear, hear.

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[*English*]

SOUTH AFRICA

Hon. Walter McLean (Waterloo): Madam Speaker, some months ago Canadians and Parliament welcomed Nelson Mandela to speak of change in South Africa to the Canadian Parliament and people.

This week Canadians are learning from his deputy, and for 26 years his fellow prisoner, Walter Sisulu and his wife Albertina, about the progress and the change toward democracy and the development needs of the future of South Africa.

I know that members will join in welcoming them here in the House today and on their tour of Canada.

I have a question for the Secretary of State for External Affairs. Last week the Commonwealth committee, which she chairs, spoke of resource needs and the Commonwealth meeting it.

What will Canada do to contribute to the resource needs of a democratic South Africa?

Hon. Barbara McDougall (Secretary of State for External Affairs): Madam Speaker, I think all members of the House can be proud of Canada's role in fighting apartheid for many, many years. I think that the changes that have been made in recent months and recent years, thanks to outside pressure as well as support for the democratic forces inside South Africa, have been an important factor.

This year, Canada will be providing $15 million in aid specifically for human resource development and education and other aspects of that issue. While I was in Delhi, I announced that we would be giving $1.5 million to the UN High Commission for Refugees to help the political exiles whom we can all help to celebrate on their return home. We will be helping with their resettlement.

There is no country more pleased than Canada about the progress that has been made, but we continue to look to further sanctions to continue the pressure until full democracy reigns in South Africa.

EDUCATION

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, yesterday in the House, the Minister of Indian Affairs and Northern Development said that all aboriginal students in Canada can have access to a post-secondary education under the program that has been put in place by this government.

I cannot say that the minister deceived the House, but the communications branch damage control strategy from his own ministry, which the minister cited from memory in many parts, indicates that as many as 3,000 students will be unfunded this year. That is 3,000 potential students who, rather than going to school, will end up on social assistance which costs the government roughly 10 per cent less than a post-secondary school education.

Bands and tribal councils, including Squamish, Nanaimo and other bands in the minister's riding, have been handed actual budget cuts by his department this year, contrary to the minister's assurance yesterday and the Prime Minister's promise in Victoria.

Madam Deputy Speaker: I am sure the hon. member does have a question some place, somehow in there.

• (1150)

Mr. Skelly (Comox—Alberni): My question to the minister is: Will he undertake to reverse these post-secondary education budget cuts to bands and tribal councils and assure that the 3,000 underfunded students will be able to enrol in school in the 1991-1992 academic year?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I am glad the hon. member has decided to re-ask the question which was asked yesterday by the hon. member for Western Arctic.

Again I repeat the answer, that this government has made the most generous program in history on behalf of aboriginal students. In fact the funding for the post-secondary program has been increased by almost 400 per cent since 1985. The number of post-secondary students enrolled in these programs has increased by more than 300 per cent to over 22,000 in the present year, and cabinet agreed in the spring to increase these funds by an

additional $320 million over the next five years, increasing the total commitment to well over $1 billion.

The problem raised by the hon. member is one of the management and distribution of funds among the regions and the question of which students are more qualified, which others are less qualified and which ones submitted their applications late.

I can assure the hon. member that according to the list in front of me something just slightly over 1,000 applications are—

Madam Deputy Speaker: As we all can see, long preambles and long questions bring long answers. I still have quite a few names on my list. Can we please go to a question right away? The hon. member for Comox—Alberni.

Mr. Robert E. Skelly (Comox—Alberni): But, Madam Speaker, truthful answers bring information to the House and that is always helpful as well.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Madam Deputy Speaker: The hon. member will put his question right away, or I will go to someone else.

Mr. Skelly (Comox—Alberni): Madam Speaker, I asked the minister about his own department's communication strategy which indicates that as many as 3,000 students will be unfunded this year.

My question to the minister, given his answer yesterday that all students will be funded, is: Are those 3,000 students who are projected to be unfunded this year going to be funded?

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I do not know what document the hon. member is citing or the date of it, but I have a note dated September 13 which indicates that approximately 1,200 students will not be funded for reasons of late application or other reasons. I have asked my officials, as indicated in the House yesterday, to look carefully at the regional distribution of funds and to deal with individual applications.

I can assure the House that all continuing students and all high school graduates coming from aboriginal communities will be funded under this program. With the additional $200 million available per year under the Pathways to Excellence Program, there is no excuse for a post-secondary student and young Indian—

* * *

STUDENT LOAN PROGRAM

Mr. Ronald J. Duhamel (St. Boniface): Madam Speaker, my question is for the Secretary of State.

A student from Winnipeg called me today, one of over 100 calls I have received, to ask the Secretary of State to remove the new 3 per cent tax on student loans, this unfair, discriminatory tax imposed on the poorer students who need to borrow for college and university education, one that needs to be paid up front and in cash.

Will the minister remove this brutal damaging tax today?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, I would like to refer my hon. colleague to the answer I gave him last Monday on this issue.

The Canada Student Loan Program is a program introduced 27 years ago. It is under full review. The administrative costs have been rising very sharply. The 3 per cent has been imposed because of that rise in administrative costs. We are reviewing the whole program.

I have talked with the Canadian Federation of Students and within the very near future I will be proposing amendments to the program to cabinet, and I will be tabling those amendments in the House.

Mr. Ronald J. Duhamel (St. Boniface): Hopefully, the tax will be removed, Madam Speaker.

[*Translation*]

When the minister was President of the Treasury Board, he introduced this new discriminatory 3 per cent tax on student loans and said that it would compensate for bad loans. Why impose this new tax when the vast majority of students do pay back their loans? Isn't this immoral, in any case insensitive and perhaps even illegal?

Hon. Robert de Cotret (Secretary of State of Canada): Madam Speaker, I will repeat in French what I said in English. This program was introduced 27 years ago and is now under full review. Obviously, it is going to be amended to reflect the current situation. These amend-

ments are about to be submitted to cabinet and will be tabled in the House.

* * *

[*English*]

SEED

Mrs. Beryl Gaffney (Nepean): Madam Speaker, my question is for the minister of youth.

On June 10 and September 17 last the minister in this House twice denied that there had been funding cuts to the SEED program.

Let us use the national capital region as an example. According to the minister's own figures, federal funding for the SEED program, which is a student summer employment program, has been cut in this region from a 1989 level of $1.4 million to $424,000 in each of the last two years, a 70 per cent reduction. Hundreds of students could not find jobs in this region.

Will the minister reinstate funding to at least the 1989 level?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): As I have indicated before, Madam Speaker, the budget for the Challenge program was increased for this year.

Mrs. Beryl Gaffney (Nepean): Madam Speaker, deny, deny, deny. The figures are here in the minister's own ministry. These cuts have caused tremendous hardships and lost opportunities to the young people of this region.

I ask the minister again: In preparation for next year's budget, will the minister reinstate the moneys to enable the youth of our region to have some hope for better job opportunities in 1992?

Hon. Pierre H. Cadieux (Minister of State (Fitness and Amateur Sport) and Minister of State (Youth) and Deputy Leader of the Government in the House of Commons): Madam Speaker, considering that the premise of the question is based on the Challenge budget, the Challenge budget for this year was increased and the numbers show that.

MULTICULTURALISM

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, my question is for the Acting Prime Minister.

The rise in racial violence and multicultural intolerance in Canada was inflamed this past summer by the Conservative convention resolutions. Will the government implement these resolutions which stated that the multicultural department should be closed down and multicultural funding should be cut?

If not, will the Acting Prime Minister on behalf of the government affirm today what it intends to do to promote greater understanding of multiculturalism and to implement the Multicultural Act actively?

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, I thank the member for the opportunity to reinforce the commitment of the government.

The new department was confirmed on April 21, and I serve as the Minister of Multiculturalism and Citizenship. We have been very active in promoting the vision that I know the member is very supportive of, to help Canadians understand how important our diversity is and how it contributes to strengthen and enrich this nation.

More and more our program areas have been working to combat racism and racial discrimination and work to promote equality, equality of opportunity. The basic right of all Canadians is the opportunity to participate. Of course our programs of integration are working very well, our citizenship courts, the pride we all have in our citizenship. Just watch our continuing efforts as we go across the country, building important partnerships with all Canadians.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I think it is incumbent on the Prime Minister to reaffirm his policy on behalf of the government as a whole. It is a very serious concern to people.

The Manitoba native justice inquiry and racial incidents in Halifax and Montreal this past summer are evidence that problems are very serious and that the federal government must act more aggressively to enforce minority rights and eliminate racism.

I ask the minister: Will the government initiate a major public education campaign and also establish a representative citizens' panel to investigate causes of racism, to

consult with minority communities and make recommendations for government action?

• (1200)

Hon. Gerry Weiner (Minister of Multiculturalism and Citizenship): Madam Speaker, it is this government that began the whole March 21 initiative some three years ago, which is a national awareness program to help Canadians understand the devastating effects of racism and the need to erase it from our society.

In fact, last March 21 we were pleased to welcome one of our very important partners, the Canadian Association of Broadcasters, an idea that had its birth in British Columbia, in the hon. member's province, and it contributed some $10 million of support to a very active program to help Canadians understand the benefits of our diversity.

* * *

CRIMINAL CODE

Mr. Ken Atkinson (St. Catharines): Madam Speaker, this week we saw charges against 15 individuals dropped after they had been approved by a justice of the peace. The crown attorney involved in the case described some of the charges as a gross miscarriage of justice.

I recognize the value of private prosecutions in our justice system, but will the Attorney General review section 507 of the Criminal Code in order to ensure that this type of abuse of process does not happen to any individual again?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, I am not sure that the difficulty that we saw described so graphically by the Attorney General of Ontario arises necessarily from the statute but more with how it is implemented.

As a British Columbian, I can say that these matters are handled very differently in my own province from the way they are handled in Ontario. I believe they are also handled very differently in Quebec and in Alberta.

What I have indicated is that this is a subject that I would like to see discussed by all of us who have the responsibility for the enforcement of the criminal law—I have it in the territories; my provincial colleagues have it in the provinces—to ensure that a device which I think is an important part of a democratic justice system is not used to create injustices. I think that could probably be done without legislative change but with great care in the role taken by our prosecutors.

* * *

DAVID MILGAARD

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, my question is for the Minister of Justice.

When Mrs. Joyce Milgaard met the Prime Minister recently and asked about her son's wrongful conviction, he said he would look into it right away which gave Mrs. Milgaard a good deal of hope.

In the House of Commons on Tuesday, the minister said that the Prime Minister merely said that he would look into the state of his health, which I think is very cruel and misrepresents what actually took place.

This case must be reopened. I want to ask the minister: When is she going to stop playing God and reopen the David Milgaard case?

Hon. Kim Campbell (Minister of Justice and Attorney General of Canada): Madam Speaker, first of all, I have looked very closely not only at the comments of the Prime Minister but at subsequent comments of Mrs. Milgaard which confirm the Prime Minister's commitments with respect to David Milgaard's health. I have already indicated in the House the steps that were taken.

The Prime Minister I think had a very humanitarian concern and communicated with me immediately. I communicated with the people in Correctional Services Canada, and my understanding is that no request has been made by David Milgaard to change his location.

I do not play God with these applications. I am bound by the law and by evidence. I will review every application that comes to me on that basis as fairly and equitably as possible.

The first application that came to me did not meet the threshold. If another one that comes does, it will be granted. If it does not, it will not.

Madam Deputy Speaker: I have received notices of two points of order. I will first recognize the hon. member for Comox—Alberni.

* * *

POINTS OF ORDER

TABLING OF DOCUMENT

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, during his response to my question in the House a few minutes ago, the Minister of Indian Affairs and Northern Development indicated he was reading from a document dated September 13 of this year.

I would like to refer to Beauchesne's *Parliamentary Rules and Forms*, citation 327 on page 115, which states:

> (1) a Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it on the Table.
>
> The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

I would ask that the minister table the document he was referring to, and I would be fully prepared to table the ministry's damage control communication strategy which I referred to in my question.

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Madam Speaker, the hon. member was on his feet with his request for tabling and withdrawal. Having Beauchesne's in his hand, he might have looked at those sections of Beauchesne's which state that it is not permissible to say in the House that somebody has not told the truth, which I heard him say about the Minister of Indian Affairs.

Will he withdraw that statement?

An hon. member: Absolutely.

Madam Deputy Speaker: Does the hon. member for Comox—Alberni have anything to add?

Mr. Skelly (Comox—Alberni): Madam Speaker, I am not sure what point the hon. member is making. Is he suggesting that I indicated that someone was not telling the truth?

I indicated in my question that I understood that in this House it is impossible for a member to indicate that another member deceived the House. I did not do that.

Madam Deputy Speaker: This is also what the Chair has heard.

Hon. Thomas Siddon (Minister of Indian Affairs and Northern Development): Madam Speaker, I certainly heard the hon. member say quite clearly that the minister was not being truthful with the House. I will review the record of *Hansard*. I certainly do not intend to make a federal issue of this. However, I can assure the hon. member that when I table the document he has requested, he will find that there are no 3,000 unfunded student applications.

I am prepared to table that document but not until we review the transcript of *Hansard*, because if the member said what I thought I heard him say, he will have to withdraw that reference.

Madam Deputy Speaker: I have listened to both the hon. member and the minister with all the attention possible. It was not my understanding at the time but I will review the "blues" as well.

Will the hon. member please resume his seat.

It is not my understanding that the hon. member said that the minister was not telling the truth. This is not what I heard but the "blues" will be checked.

The hon. member seemed to want the document tabled. If the hon. minister said he was not quoting anything, this is what the Chair will accept. If he thinks there is a document which he should table, it would be greatly appreciated.

Mr. Siddon: Madam Speaker, I certainly have no difficulty acceding to the request. I have nothing to hide. These figures speak for themselves.

However, I repeat that I expect the hon. member for Comox—Alberni to do the honourable thing. I intend to review the record of *Hansard* to ensure that he does.

Mr. Rod Murphy (Churchill): Madam Speaker, the minister seems to think that it is his right to determine whether or not he will table that document. That is not his right. There may be another dispute which is separate from the tabling of the document. He referred to the document in the House and Beauchesne requires that the document be tabled.

The other dispute can be settled separately.

Madam Deputy Speaker: I may want to tell the hon. member that the minister has tabled the document. I think this point is closed. As far as the other one is concerned, we will all check the "blues".

I have another notice of a point of order. The hon. member for Regina—Qu'Appelle.

PRESENCE IN GALLERY

Mr. Simon de Jong (Regina—Qu'Appelle): Madam Speaker, I would like to introduce a group of young Canadians of Croatian descent who are in the gallery today. These young people have been visiting with members of Parliament throughout the last few days and I would like to welcome them to Parliament Hill.

Madam Deputy Speaker: I know that the hon. member, who has been in this House for quite a while, knows that this is not his place to do so. He has found a way, which was out of order, to do what he wanted to do in the first place.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

TABLING OF ORDERS IN COUNCIL

Mr. Murray Cardiff (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, on April 11, 1991 Royal Assent was received for the Farm Income Protection Act, which provides legislation for federal programs to provide long term stabilization and support for farmers.

This act also provides for the implementation of special measures to respond to short term needs not addressed by other programs.

Last spring, the farm support and adjustment measures were introduced to respond to such short term needs. Pursuant to subsection 12(7) of the act, the Orders in Council related to the implementation of any short-term measures under the act are to be laid before the House of Commons.

• (1210)

Eight Orders in Council were approved May 30, 1991, by the Governor in Council pursuant to subsection 12(5) authorizing the minister to enter into agreements with the provinces or take any other appropriate action such as the implementation of initiatives under the farm support and adjustment measures.

It is my pleasure to table these orders in both official languages on behalf of the Minister of Agriculture.

Madam Deputy Speaker: I thank the hon. parliamentary secretary. It is very rare that we do or should get a speech with the tabling of documents.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, pursuant to section 36(8) of the Standing Orders I have the honour to table, in both official languages, the government's response to five petitions.

(Editor's Note: See today's Votes and Proceedings.)

* * *

POINT OF ORDER

INTERNATIONAL TRADE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I wonder if I could direct an observation to my hon. friend, the government Whip. The press release that the Minister for International Trade released regarding his recent visit to Iran does not include any figures in terms of Canada's contribution to Iran. I understand it was in the nature of $1 billion in terms of lines of credit and refinancing operations.

Would the minister at some point explain to the House what that $1 billion commitment to Iran included?

Mr. Jim Hawkes (Calgary West): Madam Speaker, it would have been a courtesy if I had a copy of whatever it is that the member is reading from. I gather it is a press release of some kind. He said two things simultaneously. He said that there are no figures in the press release and that he wants the minister to explain the $1 billion.

If it says $1 billion then there is a figure in the press release. If there is not, there is not.

I am not sure exactly what he is asking the House.

Mr. Riis: Madam Speaker, I am sorry for not making it clear. Apparently *Associated Press* picked up from Teheran Radio that the Canadian government had committed $1 billion in export credits and refinancing. That is where it came from. Teheran Radio apparently was the only place where the amount was actually mentioned publicly.

The minister in his press release—and I apologize for not providing a copy to my hon. friend, I assumed that he would have the minister's press releases with him—does not make any reference to—

Madam Deputy Speaker: The hon. member for Kamloops, I am sure, knows very well that this is not a point of order. We are getting into an extension of Question Period. This is certainly a question which he may want to ask Monday. The hon. member for Calgary West may want to answer but he is certainly not obliged to do so.

Mr. Hawkes: Madam Speaker, I think I now understand the question. He wants the Minister for International Trade to explain a radio report from Teheran news which the minister may or may not have had the opportunity to hear.

I would suggest to the member that if he wants to leave the Chamber and phone the minister's office, he may have what is bothering him cleared up in five minutes. If he does not have an answer by Monday, I would be happy to bring it to the attention of the minister and see what the minister might be prepared to do.

* * *

[*Translation*]

THE COOPERATIVE CREDIT ASSOCIATIONS ACT

MEASURE TO ENACT

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)) moved for leave to introduce Bill C-34, an Act to revise and amend the law governing cooperative credit associations and to provide for related and consequential matters.

Motion agreed to, bill read the first time and ordered to be printed.

[*English*]

MEMBERS OF THE SENATE AND HOUSE OF COMMONS CONFLICT OF INTERESTS ACT

MEASURE TO ENACT

Mr. Ron Fisher (Saskatoon—Dundurn) moved for leave to introduce Bill C-275, an act to provide for greater certainty in the reconciliation of the personal interests and duties of office of members of the Senate and of the House of Commons, to establish a conflict of interest commission and to make consequential amendments to other acts.

He said: Madam Speaker, it gives me a great deal of pleasure to introduce at this time a bill to do as you have just described. It shows the ability of the private member to be able to introduce matters of extreme interest and concern to the country.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C-276, an act to amend the Excise Tax Act (extremity pumps).

She said: Madam Speaker, this bill is as you have outlined. Some people, for health reasons, are requiring a piece of medical equipment called an extremity pump. We are simply asking that it be included in the Income Tax Act for allowance for deduction.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C-277, an act to amend the Income Tax Act (air conditioners).

She said: Madam Speaker, again this bill is as you have outlined. It is simply that those who suffer from multiple sclerosis or any breathing disease require an air condi-

tioner in the room, and it is being included under the Income Tax Act for assistance.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

OMBUDSMAN ACT

MEASURE TO ENACT

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–278, an act establishing the office of the ombudsman and amending acts in consequence thereof.

• (1220)

She said: Madam Speaker, by way of explanation, these bills are all being reintroduced as they were all lost on the Order Paper. I think the way it reads it is self–explanatory.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mrs. Beryl Gaffney (Nepean) moved for leave to introduce Bill C–279, an act to amend the Food and Drugs Act (breast prostheses).

She said: Madam Speaker, as you know, this bill states that a moratorium be placed on the Meme breast implant until it is proven to be a safe product. The minister of health has, momentarily, taken it from the market. This bill is being reintroduced to make sure that the Meme's removal is entrenched in law.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA PENSION PLAN ACT

MEASURE TO AMEND

Hon. Alan Redway (Don Valley East) moved for leave to introduce Bill C–280, an act to amend the Canada Pension Plan Act (disability pension).

He said: Madam Speaker, this bill is aimed at correcting a long–standing, but I believe only a technical injustice in the limitation period for making application for the Canada Pension Plan for disabled people. Unfortunately, the way the legislation reads now and has read for many years, provides a barrier for disabled people to apply for their Canada Pension Plan benefits if, for some reason or other they have decided to delay their application even though they have contributed for years and years and years to the fund. It may be for many legitimate purposes, including the fact that they do not want to be a drain on the public purse and on the public fund until they need the money.

The legislation now bars them from a later application. This would allow them to do it in the event they have made contributions for at least one–third of their contribution period. Then they would be eligible to receive a pension.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INDOOR AIR QUALITY ACT

MEASURE TO ENACT

Mr. John Manley (Ottawa South) moved for leave to introduce Bill C–281, an act relating to indoor air quality.

He said: Madam Speaker, the purpose of this bill is to reflect the concerns of many Canadians, most of whom spend approximately 90 per cent of their time indoors. This bill authorizes the Minister of National Health and Welfare, among other things, to establish a national research centre to study issues related to indoor air quality and indoor air contaminants and authorizes him to take other action which would ensure that Canadians enjoy a safe environment not only outdoors, but indoors as well.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

ABORIGINAL LANGUAGES FOUNDATION ACT

MEASURE TO ENACT

Ms. Ethel Blondin (Western Arctic) moved for leave to introduce Bill C–282, an act to establish the Aboriginal Languages Foundation.

She said: I am very proud to reintroduce this bill, an act to establish the Aboriginal Languages Foundation. This is a bill that has widespread support across this country.

The purpose of the Foundation is to facilitate throughout Canada the acquisition, retention and use of aboriginal languages that contribute to the country's aboriginal heritage by ensuring the perpetuation, revitalization, growth and protection of aboriginal languages. This would be in concert with what has been done for heritage languages, of which there is an institute and of which there is none for the aboriginal languages.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Rod Murphy (Churchill) moved for leave to introduce Bill C–283, an act to amend the Electoral Act (election expenses).

He said: Madam Speaker, following the private member's bill introduced by the member for Saskatoon—Dundurn on conflict of interest for members of Parliament and the Senate, this is companion legislation with regard to cleaning up the Election Act. It calls for strict controls on election expenses and legal enforcement for those election expenses.

As the Speaker is aware, ever since 1984 we have had a very large loophole in the definition of election expenses. This has to be cleaned up. I am afraid that the Royal Commission on Electoral Reform and Party Financing will not be able to finish its work in time, and the government will not pass legislation in time for the next federal election. Therefore, I have included a very comprehensive definition of election expenses, including polling by political parties, and I would hope that we would have all-party consent to have this legislation passed in time for the next federal election.

Motion agreed to, bill read the first time and ordered to be printed.

Routine Proceedings

TOBACCO RESTRAINT ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops) moved for leave to introduce Bill C–284, an act to amend the Tobacco Restraint Act.

He said: This bill rose from a survey that was done recently in western Canada which indicated that a substantial number of retail outlets sell tobacco to young people of age 15, 14, 13, 12, 11 and 10 years. This is against the law. Madam Speaker, probably one of the reasons these people were breaking the law is that the fine is only $10 if convicted.

This bill raises the fine from $10 to $1,000 for a first offence; $2,000 for a second offence, and $5,000 for a third offence for the selling of tobacco products to minors. I think it is time that we take this seriously and do what we can collectively to ensure that young people are not encouraged to smoke.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1230)

PETITIONS

COMMEMORATIVE STAMP

Mr. Jesse Flis (Parkdale—High Park): Madam Speaker, next year Canada will be celebrating its 125th anniversary of its birth. Many organizations will also be commemorating the 125th anniversary of the birth of a world renowned scientist, Marie Sklodowska Curie, who discovered radium which healed the sick of the world and of Canada. Presently a successful play is being performed in Quebec depicting her life. It will be performed next year across Canada. A senior citizen's home in Montreal bears her name and a charitable organization in Toronto is also named in her honour.

These 500 petitioners are adding their names to the other 5,000 plus Canadians calling upon Parliament to convince the Canadian stamp committee to issue a stamp honouring a great scientist, Marie Sklodowska Curie.

GOODS AND SERVICES TAX

Ms. Ethel Blondin (Western Arctic): Pursuant to Standing Order 36, I rise to present a petition on behalf of the citizens of the first nations across this country who number 480 on this petition and are protesting against the GST being imposed on first nations. Whereas the first nations of Canada are immune from taxation by virtue of their aboriginal and treaty rights, whereas these rights have been in part affirmed by the Royal Proclamation of 1763, the Constitution Act of 1982, section 35 and by recent decisions of the Supreme Court of Canada, specifically the Sparrow case, I appeal to the government to remove this tax immediately.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I have a similar petition to the one just presented in which several hundred aboriginal Canadians from across this country in virtually every province state: Whereas the federal government has set in place a goods and services tax on January 1, whereas the first nations of Canada are immune from such taxation by virtue of aboriginal and treaty rights, and whereas these rights have been in part affirmed by the Royal Proclamation of 1763, the Constitution Act of 1982 and recent decisions of the Supreme Court, the undersigned, your petitioners, are calling on Parliament to fulfil its responsibilities to the citizens of the first nations in Canada by taking immediate steps to rectify the deficiencies of the policy guidelines, including changes which will protect the taxation immunity of first nation citizens, both on or off reserves, including those citizens who do not as yet have recognized reserved lands.

ROYAL CANADIAN MOUNTED POLICE

Mr. Nelson A. Riis (Kamloops): Madam Speaker, it is my pleasure to present a petition on behalf of a number of constituents from Kamloops, British Columbia, who are urging the government to remain firm and maintain the adequate levels of funding for the Royal Canadian Mounted Police to enable the force to fulfil its mandate.

MULTINATIONAL RESOURCES

Mr. Nelson A. Riis (Kamloops): On another matter, Madam Speaker, I wish to present a petition from constituents of Barrier, Louis Creek, Heffley Creek, Kamloops, British Columbia, as well as Birch Island and Red Deer, Alberta who are indicating their concern with the intent by a firm called Multinational Resources to dam the North Thompson River at Vavenby, British Columbia in order to divert the water to the San Diego, California area. The petitioners are calling upon the government to state categorically that it will not permit our fresh water rivers to be dammed and diverted into the United States of America.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Ross Reid (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I ask that all questions be allowed to stand.

Madam Deputy Speaker: Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

DEBT SERVICE AND REDUCTION ACCOUNT ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-21, an act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada, be read the second time and referred to Legislative Committee F.

Mr. Robert E. Skelly (Comox—Alberni): Madam Speaker, I appreciate the opportunity to take part in this debate today. This legislation sets up a special fund or a special account within the government accounts to receive in part the huge revenue overruns from the goods and services tax. The government at one time led us to believe that this tax would be revenue neutral. Now we find out that through deceit or incompetence the goods and services tax is yielding far more revenues than the government was willing to admit to the Canadian people and these revenues are flowing into the general accounts of the country.

It creates a problem for the government when it is intent, based on its Tory ideology of cutting back programs in health care and social services and education, to cry poverty in order to justify the cutbacks in these social programs. I guess it is a bit embarrassing when these huge volumes of revenue are flowing in through the goods and services tax, which the government denied was going to happen. Now people are justifiably arguing that if there is a surplus of revenues, how can it justify cutting

back on those social programs, when the revenues of the country are increasing.

Many of the things this government does are reminiscent of the old days of Social Credit in British Columbia and some of the financial stunts pulled there by the government in order to justify the continuation of that right wing conservative cost-cutting ideology it used, not necessarily to try to control the finances and balance the books, but to serve its ideology, which is to cut programs designed to serve people and at the same time reduce the tax burden and the regulatory burden on the people who serve them. That is the corporations and the wealthy families of Canada.

The Social Credit in British Columbia set up what they called "rainy day funds." This was so that they could set revenues in these special funds and bring them out during a rainy day. Well, of course, under the Social Credit it was always rainy in British Columbia and the finances were always in a situation that could be called "rainy day." Unfortunately, it was never rainy enough for the Socreds to use these special funds in order to serve the purposes they were set up to serve.

An hon. member: Not even at election time?

Mr. Skelly (Comox—Alberni): Well, I will get into that later on.

In fact a most recent example of this kind of budgetary flim flam was the so-called budget stabilization fund which was set up by one of the Ministers of Finance who have gone through the revolving door of that office in British Columbia over the last little while. It was called the budget stabilization fund, or as these things are commonly abbreviated, the BS fund, which more appropriately names the fund.

The account is designed to serve two purposes, as members will know. The first purpose is to set up an accounting fiction so that the government can take its surplus revenues and put it in this account so that it will not be seen by the public as being available for expenditure on social programs.

What the government does is it takes the cash in that special account and by selling the account treasury notes, it gets the cash back into general revenue where it is spent. We have had a couple of examples recently such as the $273 million KAON project in British Columbia on the threshold of a provincial election where the Conservatives are trying to help their friends the Socreds in British Columbia to get re-elected in spite of all the things they have done in the past five years.

It was suggested by some of our members last night who were asking for aid for the farmers in the prairie provinces to assist them to overcome some of the problems of world market conditions and the conflict of subsidies that were taking place that payments be made to the farmers immediately rather than waiting until the time that it was most politically expedient so that the government could support its crony out there, Grant Devine, to try to get him elected. Therefore, the purpose of the aid to the farmers is more to elect Grant Devine than to provide any kind of assistance to agriculture in Saskatchewan.

• (1240)

The Socreds used the funds for the same kind of purpose. They used to stash away money into special funds, or rainy day funds, or political slush funds. When it came close to election time they took the money out of those funds and used it to improve their chances of getting re-elected.

This time I do not think they are going to be that successful. I am convinced they are not going to be that successful, so we will see an end to this kind of nonsense at least in the province of British Columbia.

There is a second purpose for the use of these kinds of funds and accounts, this flim-flam accounting, which is to deceive the people of Canada as to the actual volumes of revenue which are flowing into the federal treasury. The government would like to, because it has embarked on a cost-cutting program, cut programs in education, in health care, in social services, cut services to women and unemployed workers and training programs and that kind of thing. It wants people to believe that there is actually a tight revenue expenditure situation in this country.

It diverts a substantial amount of the revenue generated by the goods and services tax into this special fund and it is able to tell the public: "Sorry, you can't have a national child care program because the money is already spoken for. Sorry, you can't have a literacy program that is designed to achieve the objective of cutting illiteracy in this country in half by the year 2000 so that maybe we can approach the literacy rate of Mexico. We can't do that because the money has already been designated into this fund to pay off Canada's debt".

The idea is to keep the revenue and expenditures as close as possible so that people will not be able to petition the government to set up programs like child care, which the government has been promising for the last few years.

This goods and services tax will probably bring in sufficient revenues over this year to pay for the full cost of that program. What the government has to do is divert those revenues into this debt payment fund so that it will not have to pay for the child care program it has been promising for years and years and years.

It is a method of deceiving the people of this country using the kind of economic flim-flam through special accounts and special funds that the province of British Columbia under Social Credit has been using for years and years and years.

Anybody who understands British Columbia politics, surely most people west of the Rocky Mountains in this country, are going to understand that this is flim-flam. They are not going to believe it and it is not going to work.

I have a second concern about this proposal to set up a special fund in which to put all the surplus GST revenues or the revenues from selling Crown corporations and other revenues which may come to the government from other sources. That is that it does not address the real causes of the debt. While we may be putting these funds into the debt payment account, the real causes of the debt are still operating to increase the debt of Canada.

As one of our members pointed out this morning, when the Conservatives came into office in 1984 the debt of the country was $180 billion. In a recent report by the Department of Finance that debt load has now risen to over $400 billion. Under the Tories, from 1984 to 1991, the debt has risen from $180 billion to $400 billion.

It has more than doubled now to the point where the debt of each and every Canadian man, woman and child is $15,000. That is the accomplishment of the Tory government over the last decade, to double the debt and saddle $15,000 on to every man, woman and child in this country. That is the Tory record.

Statistics Canada did a recent study that was suppressed by the Tory government because it did not want the results to come out. That study showed what the causes of the debt actually were.

Frances Russell released the study in the Winnipeg newspapers back in March of this year. She talked about the suppressed Statistics Canada study which indicated that 44 per cent of Canada's national debt is not due to program spending. It is not due to runaway expenditures on such programs as health, education and welfare.

According to StatsCan's study, 44 per cent of Canada's debt is due to tax concessions to large corporations and wealthy individuals. That is one of the roots of the debt problem in this country.

This legislation does not address that problem. While we are setting up this fund, while we are paying the GST into this fund, and while we are paying revenues from the privatization of corporations into this fund, the real root of the problem is not being dealt with at all. That debt is going to increase and increase until the government actually deals with the root of the problem.

The second major contributor to the debt, according to Statistics Canada, in fact responsible for 50 per cent of Canada's public debt, is the high interest rate policy. Both of these policies, tax concessions to corporations and tax giveaways to corporations, were pursued by both the Liberal and the Conservative governments over the last three decades.

The high interest rate policy is the same. It has been pursued by Liberal and Tory governments over at least the past two decades. According to Statistics Canada, it is that high interest policy which is responsible for something like 50 per cent of the total public debt in Canada, that huge mushrooming debt which has reached over $400 billion under the Tories, or $15,000 for every man, woman and child in this country.

There are two issues. First, tax concessions to corporations which account for 44 per cent of the debt, and second, the high interest rate policy that causes that debt to mushroom is responsible for 50 per cent of the debt.

What about the social programs that the Tories like to talk about and the Socreds in British Columbia like to

talk about? What about those social programs that are accused by those political parties of being the major cause of our debt in this country?

According to the Statistics Canada study, which the Tories attempted to suppress, program spending accounts for only 6 per cent of the total debt problem in this country.

If program spending is only 6 per cent of the problem, why do the Tories haul out 100 per cent of their big guns to deal with that problem and leave the problem of interest rates alone? Why do they leave the problem of generous tax concessions to corporations alone?

Why do we not deal with the real issues, the things that are the root of this debt problem, root them out, solve those problems and reduce the debt that way?

Of course, that counters Tory ideology. We run up against a bit of an ideological road-block. If there is one thing that justifies the existence of Tories, it is cutting programs. They love to cut programs.

It does not matter whether we have good times or bad times in this country. Tory times are always bad times. In good times or in bad times Tories love to cut programs, in particular social programs. How have they opted to deal with the national debt? They have attacked transfer payments to the provinces. Most of those transfer payments go to pay for health care, social services, education, post-secondary education, programs and services that are needed by people all across Canada. These are programs that are very difficult to cut without decreasing the standard and quality of life in this country. Yet those are the programs the Tories have targeted with 100 per cent of their big guns.

• (1250)

Why not attack the problem of corporate tax concessions? We see all across this country the difficulty people are experiencing in shouldering the burden of taxes that Tories have loaded on them over the past decade. Income taxes, excise taxes, sales taxes, all the taxes that people pay have increased dramatically. People in the small business sector are complaining about the huge burden of taxes that the Socreds and Tories have placed on them. I hope this is not reported in British Columbia. If so, I withdraw the name Socred.

People all across the country are complaining about the burden of taxes that this Tory government has imposed on them in the small business sector. In the wage-earning sector, hourly paid workers have tried to get increases in their wages just to maintain pace with inflation and with the cost of living. Yet every time they make ends meet, every time they see the possibility of being able to put a little more food on the table, of being able to move ahead a little bit and aspire to the Canadian dream, the Tories come back and crush them with another load of taxes, increased income taxes and the goods and services tax. That area of Canadian society is being beaten down the worst.

I have a letter here from one of my constituents discussing the goods and services tax and the impact it has had on old age pensioners. It says: "Mr. Skelly, I am an old age pensioner trying to do my darndest to stay in my old house. I have had some work done on my house and I am shocked to see how much GST I have paid out. I have hired a plumber, a carpenter and an electrician to do some work. So far this year, not counting the small amounts of 50 cents to $3 I have paid in GST, I have receipts totalling $351 on GST alone". That is what she has paid out on GST alone.

We were told by the Minister of Finance and by every Conservative speaking in the House in favour of the goods and services tax that the poor people, the pensioners in this country, would be getting a tax credit that would help offset the problem of the goods and services tax.

Well, this lady gets a tax credit too. In fact, her tax credit is $254 a year. She has to pay $110 of GST more than she receives from the tax credit. In fact she is farther behind than she was when the goods and services tax was brought in. This woman suggested to me that as a result of GST she may be forced out of her own home and may have to go to a senior citizens' home or institution as a result of the tax burden that, along with the GST, this government has imposed on senior citizens.

I had to laugh at the member for Halton—Peel when he was talking about having protection for private property in the Constitution. The goods and services tax has virtually told pensioners in this country that if they are not able to afford to pay this tax and cannot repair their house, this government is going to take them out of their house and put them in institutions and senior citizens' homes.

How differently we have treated the wealthy in this country. We have given the wealthy all sorts of perks, such as travel perks. People can fly in corporate aircraft and have it deducted from their expense account as a cost of doing business. In entertainment expenses, this government concedes to corporate Canada something like $3 billion in two-martini lunches. I recall a book written by an expert on taxation who was talking about a birthday party that was held for a corporate executive in downtown Toronto, orchestras were hired and champagne came in tubs. There were hundreds and hundreds of thousands of dollars in expenses. Yet, because some corporate customers were there, the party was written off against the taxes of the company.

Mr. Speaker, please allow me just a few seconds to wind up. This bill is not going to solve the problem of Canada's debt. It is not going to pay off Canada's debt because it does not deal with the root problems of the debt. The root problem is the unfairness of the tax system which allows the rich to get off with no burden of tax at all while the poor are stifled and have a huge tax burden on them. It does not deal with the problem.

Until we restructure and balance our tax system so that people who have the money and have the economic power are paying the revenues then the debt is—

The Acting Speaker (Mr. Van De Walle): Questions and comments.

Mr. René Soetens (Ontario): Mr. Speaker, I am sorry I did not catch the whole presentation but it is always interesting to listen to NDP members talk about the poor people of this country and how they have to defend them. Then he even proceeds to talk about this letter he has received from a very poor constituent of his who had to pay this terrible amount of $354 in GST.

Let me just explain what that means for that poor person he is defending.

In order to spend $354 in GST in a six month period she would have to buy $5,000 worth of taxable goods. If that was the only income the person had and the only expenses the person had I would agree with the member that obviously this person is a very low-income person. I will presume that person lived some place and paid rent of $500 a month, which is a very difficult and low rent to find in Canada, but for argument's sake that may be the rent in that part of Canada. That is another $6,000 a year that person spent. Of course there is no GST on the rent. The person now has a place to live and has bought these lovely things, $5,000 worth of goods to sit on, to watch television, to wear or whatever those items might be used for. Now she has to eat.

We do not have to pay GST on the food we eat at home. I do not know how much to allow for that, but for argument's sake let us presume that people pay about one-third of their income on food. If I add the $5,000 and the $6,000 to another $6,000 that person has now spent up to $17,000 in the first six months of this year. That is really a remarkable number. Multiply that figure by two and that is $34,000 for the year that this person, who the member is defending, makes. Of course, that is $34,000 after tax.

Now we ought to say: "Well, what kind of taxes does that person pay on income tax?" Let us be generous and say that it is only 30 per cent. This $34,000 all of a sudden jumps up to $45,000.

Lo and behold, I am listening to the NDP talk about the poor people of this country and the member uses an example of a person who probably has a $45,000 income. That is our point. It is the people in the $20,000, $25,000 to $30,000 income area who need the help. They get the GST credit. We need this particular bill to ensure that we do not go out and spend all this extra money that they think we are getting, which we are not.

I would like to ask the member if he really believes that it is the higher income or middle income Canadians who are being disproportionately penalized, as his presentation argues, or is it the low income Canadians who benefit from the tax credit we ought to be speaking on behalf of?

Mr. Skelly (Comox—Alberni): Mr. Speaker, I am absolutely astounded by the question from the member. Not only did he come late, but he was a few sandwiches short of the picnic.

As I pointed out, this person lives on an old age pension. She does get some help from her family. Can the hon. member tell me if a $45,000 income-earner in this country is entitled to a $254.10 GST rebate? He had better check his own documents before he starts invent-

ing this straw person of a figure because it certainly does not relate to the conditions that this woman lives under.

• (1300)

She says that if it was not for the health of her son who is also attempting to send two kids through university and pays enough taxes for three old age pensioners, she would not be able to do even the kind of work she is doing. I take your remarks as an insult to my constituent, and I am certainly going to send it to her.

It is typical of the lack of understanding of the circumstances and the situation being faced by poor people in this country by those Tory people opposite as a result of the policies that they have imposed on poor people in this country.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I found myself agreeing with an awful lot of what the member for Comox—Alberni said when he talked about the accounting fiction that is involved in this, but I would like to get a point of clarification on some remarks he made toward the end of his speech when he talked about business expenses.

Do I take it from the hon. member that the NDP is against legitimate business expenses? It is a fact of life that when we promote and try to display and demonstrate what our product or services are that—whether it be in this country or in any other part of the world—we have legitimate business expenses.

You have to fly to these places. You talked about travel. Sometimes you bring your sales staff or marketing staff together to celebrate, maybe, a particular achievement of a corporation, or levels of quality or performance that have been met. I was getting a sense from the member that he really was not committed or supportive of legitimate business expenses. I would like to hear his or his party's view on that.

Mr. Skelly (Comox—Alberni): Mr. Speaker, thank you very much for that question.

It was not my intention to suggest that those type of expenses be done away with entirely, or scrapped, or that they are even part of the problem of the unfair burden of taxation that we are experiencing in this country.

What I am looking for is a little more balance. I think you will find from some of the studies that have come down recently, including this one by Global Economics Limited, that Tory taxation policy has resulted in a huge burden of taxes being imposed on small business, on wage earners and on people at the lower end of the income scale, whereas there has been a lifting of the tax burden on the wealthy families in this country, and on large corporations.

There should be more of a balance, which would result possibly in more examination by tax auditors of things like business expenses or travel expenses, to make sure that when those tax concessions are granted by government—this was the policy of Ed Broadbent—there is an actual return to the country and to the business from those expenses.

That is why I quoted the story that appeared in the book *Behind Closed Doors*, which you may have read, about how the rich had hijacked the tax system in Canada. It described a private birthday party of a very wealthy Canadian with champagne in buckets, orchestras and invited guests which ended up being deducted as a business expense. The cost of that party ended up being shouldered by the people of Canada because of the foregone taxes from that corporation.

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I appreciate the opportunity to rise today to make a few comments on Bill C–21.

I would like to tell you, Mr. Speaker, that I will be sharing this time with my colleague from Nepean. I will speak 10 minutes with five minutes questions and answer, and my colleague will do the same.

This bill is the Debt Servicing and Reduction Account Act. I want to take a minute to explain to people who are watching today what this bill is.

Most of us have been in business and we certainly all run our own personal accounts. When we have money come into our bank account or into our business, we apply it against the debts we owe. It is very seldom that we set up a special bank account from which to make mortgage payments.

This is a marketing plan and a marketing game by the present government. It is saying to Canadians that it is going to take special money and use that money to pay against the deficit. What else would the government do with income other than to pay its bills? And part of its bills is the interest on the accumulated debt the country carries.

This whole bill is an absolute farce, absolutely needless. In the same light it is not a bill that, as a member, I can oppose. But it is needless because if I was to stand up here and say I was opposing the bill, the members on the other side would say that I did not want to pay off the deficit.

First Canadians were told, back when the government started to talk about the GST, that it would be revenue neutral, that as a country we were going to do away with the federal tax that was there before and replace it with a goods and services tax. The net $18 billion that the previous tax had raised was going to be raised by the GST. The GST was going to raise about $24 billion and the tax credits, et cetera, that would be returned to low income people would account for about $6 billion and so the net would be $18 billion.

Well, the truth has come out, Mr. Speaker, and the GST is raising more than that. It is raising more than that in a recession, so it is quite obvious that if and when—and hopefully that is soon—the economy turns around, it is going to be a cash cow. Some of the government members said that right from the start, and I applaud them for their honesty. Now I think they had their knuckles rapped by the powers that be in their caucus, but they were honest enough to tell Canadians that.

Naturally, if this account, if that section of income from the Canadian government brings in an extra $3 billion or $4 billion or whatever the case may be, where else would it go? Why would it not be applied against the bills that the government has? One of those bills is the interest. If we pay off a bigger section of our bills, then naturally the annual deficit of the country will be less.

So let us not be fooled by what is actually happening. I am very sceptical about what the government is telling Canadians, that they do not trust themselves to allow this to go into the regular funds in the regular bank account of the government, so they are going to put this in a separate account in order to make sure that they themselves keep themselves honest, if that is possible. They are saying that the only thing that account can be used for is to pay off some of the debts.

I hope that is the case because Canadians have become very sceptical. I hope that the government shows Canadians that they are not going to use that for patronage handouts and to come up with election promises as time goes on. That is what Canadians are saying, Mr. Speaker, that if the GST raises $4 billion or $5 billion more than the government has been up front in telling Canadians it is going to raise, it will put $2 billion or $3 billion of that against the deficit and take the other $1 billion or $2 billion as an election comes close and come out with election goodies. That has been done before, and I can tell you that all of Canada is going to watch that.

All that being said, Mr. Speaker, I do recognize that we do have an extreme deficit problem in the country. The deficit is nearly 5 per cent of our gross domestic product and there are very few countries—probably only Italy—that has a higher annual deficit in proportion to the gross domestic product than does Canada. That is the serious problem we have to address.

Unfortunately, the present government has failed to live up to the promises it made prior to 1984 and in 1984. Quite frankly, had it done that, had it lived up to what it told Canadians it would do, had it lived up to the reason Canadians elected one of the highest—if not the highest—majorities in this House for any political party in Canadian history, we would not be in the problem we are in at the present time. Within 24 hours of getting elected, it got too concerned about getting elected another time and said: "Okay, here goes the patronage and here come the handouts".

• (1310)

Canada went through six years of the best times this country has ever gone through. Any sound business or company would take advantage of the opportunity when they are making money to pay off some of their bills. This government did not do that.

Instead of fulfilling the promise to Canadians to have the deficit down to $16 billion by 1991, where are we? We are predicting a $30.5 billion deficit again in this fiscal year. When we look at the figures that are coming out now, in the first four months, the Canadian deficit is over $12 billion. I can figure it out. That is over $3 billion per month and 3 times 12 means a $36 billion deficit, not $30.5 billion.

Some very highly regarded people in the banking industry are saying that in all honesty, we are probably heading toward a $35 billion deficit, not a $30.5. Therefore, we have to address that.

It is time for some accountability. It is time to look after that account which is going to be set up, albeit needlessly. But if the government wants to set it up, I will support the setting up of it, but I am still very sceptical of why the government feels it is necessary.

The government has to address the problems that we have in this country and spend the money wisely. In its agenda it declared a number of years ago what had to be addressed. There has been a failure to reduce the deficit. There has been a failure to improve spending on research and development. There has been a failure to improve education and training. There has been a failure to improve the national infrastructure and a failure to assist the transition during implementation of the free trade agreement.

I cannot stress strongly enough, that unless we address all of these items and others, these I have just mentioned in particular, we are not as a country going to be as competitive as we can and should be.

I am embarrassed that I cannot remember the name of the gentleman who wrote it, but I recommend an article which was in *The Ottawa Citizen* a couple of days ago. It was an excellent article on the tools that we are missing as a nation. We are not addressing the 30 per cent drop-out rate from secondary schools. That is a resource we are not using in this country. It is a resource this government is not even giving lip service to as far as further education and research and development. Unless we train ourselves and train our people, we will not be competitive in the future.

I do not think I need to take time to say much more. We have to address these things. I can say that Canadians will be watching this present government. I stress to the government: Why not be candid and forthright with Canadians and explain to them: "Yes, we have failed to achieve our goals. No, we have not met the goals. We want you to help us to meet those goals". Be right up front and say: "Yes, we want to use the GST. Yes, it is not going to be revenue neutral. But we will take the extra money and we will not have to lock it up in a safety deposit box so that in a weak moment we do not get our hands on it in order to use it". Try to give Canadians that faith in themselves and tell them how it will use that money.

I hope the government can understand why the opposition parties and the general public are sceptical of this government's plans. After all, the government has not done what it promised to do in the first place. If it had, we would not be in the position we are in right now.

In closing, I would just like to stress that Canadians will understand if the government is forthright with them and tries to show that it can be trusted. I ask the government to make that effort.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I think my colleague brought a very important point to the attention of this House. That was the fact that the economy of this country between 1984 and 1988 was one of the most successful economies we have had in this country for many, many years. During that period of time the government not only refused to address expenditure control, but it never ever talked about the fact that it doubled the revenue, that there was close to a $50 billion grab through increased taxes from mostly middle income Canadians and small businesses.

My question to my colleague is this: Don't you think that that would have been a more legitimate debt reduction fund, the middle income and small business debt reduction fund, which could have lifted the morale of those people who are basically carrying the tax burden of this country and who basically doubled the amount of tax they put into the treasury during that heated up period?

I think that would have done a lot more to advance the trust factor of this government. But, no, they walked on by and failed to give that credit to small business and to the middle class taxpayer. I think that is one of the reasons why this government has such a very low trust factor.

So my question to my colleague is: What does he think about setting up not just the GST debt reduction fund, but the small business debt reduction fund, or the multinational debt reduction fund? After all, all of these are sources of income not unlike the GST.

Mr. Vanclief: Mr. Speaker, in response to my colleague from Broadview—Greenwood, there is no question that he and some people with him in addressing the problem

of how we as a country address our national debt have just done a tremendous amount of work on that.

He is so right. I guess in a slang term we have all heard that there is more than one way to do something or, as one of my colleagues says there is more than one way to skin a cat. As a country, we have to look at all the different methods and ways that we have of doing that. We have gone through, as he has said so clearly, six or seven years of tremendous success in this country businesswise, et cetera, a boom time when no one took advantage of it as a government to pay down the debt, to pay off the mortgage that we are carrying as a country. During that time all that the government could see was some way in which it could better itself and try to make itself look better down the road.

Then, when we got down the road and reality hit home, it tried to put something in. Indeed, it did put something in, such as the GST. But instead of putting that in, if it had insisted on putting it in a few years earlier when the economy was going up—and it knew it would have a detrimental effect on the economy and it might level it off, but albeit at a decent level—it waited until the economy was on the downslide and then it kicked it in, and boom, the bottom dropped right out of the economy and where are we now? It has pushed the economy over the edge to the extent that all of the small businessmen and indeed the large as well, but the small ones in particular that are the ones this country operates on and which contribute to the debt reduction of this country, are no longer able to stay in business.

So, as a government, it has bitten the hand that feeds it, and now all Canadians are suffering the consequences of such disastrous management of the national economy.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am pleased to stand here and share this time with my colleague. I am delighted to have an opportunity to speak to Bill C–21 which is before us this afternoon and which is an act relating to the accounting of certain payments for the servicing and reduction of the debt in Canada. At the same time I am pleased to speak to this, I am somewhat sceptical of the government's motives. But I was pleased when in the February budget we were told they would create a fund which would credit all revenues from the GST, all proceeds from privatization and all gifts to Canada would be placed in an account for the purposes of reducing and servicing the debt.

• (1320)

I think not just I but all Canadians rejoiced at that planned initiative of the government.

The constituents in my riding have always expressed to me their particular concern about servicing, reducing, and eliminating the debt so I am pleased that I am able to present their collective views today. I am pleased to offer in this House my support in principle to Bill C–21 at second reading so that it can go to committee and be closely scrutinized. I mentioned earlier that I am also sceptical about the ability of this act to actually reduce the debt.

My scepticism flows from the government's dismal record on bringing forth the kind of responsible fiscal policy that it has always tried to claim as its trademark. The government in 1989 introduced a very ambitious five-year fiscal plan to begin the work of getting rid of the deficit and eventually the debt. What happened? As we know, in 1988–89 we had an operating deficit of $28.7 billion, in 1989–90 a deficit of $30.5 billion, and we are expecting $30.5 billion in 1991–92. The operating deficit has risen nearly $2 billion.

Herein lies my scepticism. Under this new ambitious plan of deficit and debt reduction of which Bill C–21 is a part, how much of a tab will the government run up in the next few years?

We already know that this new account itself will be in a deficit of at least $20 billion per year for the next five years. The deficit has continued to go up and down. During the years this government has been in power, it should have been reduced in better times during the 1980s. It was not.

What happened during the 1980s? We know that this government took office in 1984. From the period 1984 to 1988, and it was just alluded to by the member from Broadview—Greenwood, this country saw unprecedented growth, higher than ever before in the history of this country. I know that my colleague mentioned $50 billion. My understanding was that it was considerably higher than that.

What did they do? Did they put any of this excess revenue beyond all their wildest dreams, excess revenue over anticipated revenue, against the debt? Not one penny of it went against the debt. What did they do? I would like to know because I have never seen an

accounting of it and I know that I and my colleagues, and certainly Canadians, would be most interested in seeing how that money was spent.

During 1984 to 1988 this government was certainly the last of the big time spenders.

This government has chosen over those years to stick it to Canadians when they are down. Between 1988 and the period we are in now, the economy is down. Inflation is high. Bankruptcies are soaring. People are out of jobs. They introduced the GST during a recession. They pursued a high dollar, a high-interest policy when people could barely, if at all, make ends meet.

We have had no fewer than 33 increases in taxes in the last seven years, furthering the burden on the average Canadian, and yet no reduction. In fact there has been an increase in either the deficit or the debt.

The recovery from this recession is expected to be slow and uneven with unemployment, the worst aspect of recession, being one of the last vestiges to recover.

The government should have been reducing the debt as I mentioned earlier during the 1980s, which were the good times, and using available resources to help people in the economy during the bad times.

I would like to mention some of the things that the government should have been looking at and probably funnelling money into and yet has reduced granting moneys to these particular areas. As I mentioned earlier about the work force, unemployment is on the rise.

Research and development: we should be expanding our industries here in Canada and yet we have withdrawn money and reduced our input financially.

Education: our young people are the biggest resource that this country has and yet moneys have been reduced drastically to the provinces in the area of education.

Illiteracy: can we Canadians afford to have a high percentage of our Canadians illiterate? I would think not.

Infrastructure: a couple of years ago one of my colleagues and I travelled this country talking to people in municipalities and to mayors of municipal councils. We asked them what was the biggest problem they had with increasing the economy in their own particular area.

Over and over again we were told it was Canada's infrastructure. I am talking about roads, bridges, sewers and adequate water supply that they would not have.

I recall in Cape Breton visiting the mayors of different municipalities there. They were not able to entice industry to their island because they did not have the adequate sewage treatment plant, nor did they have the money to build those sewage treatment plants. Businesses would not locate or relocate to the island of Cape Breton unless they had those services.

There was no money forthcoming from the federal government to attract industry to Atlantic Canada at all. I think this is a disgrace.

Canada in its federation is here to help depressed areas or areas where the economy is most suffering. Certainly this government has ignored that since it has come to office.

We have had no fewer that 33 increases in taxes in the last seven years furthering the burden on average Canadians and yet again no reduction—and in fact an increase—in either the deficit or the debt.

I would like to focus on a particular clause of this bill which is clause 4. It would establish the very sources of revenue to be credited to the account in addition to income from the GST and revenues from any unconditional gift to Canada or gift which has had as an express purpose the servicing or repayment of debt or reduction of the deficit.

A third source of income from this fund would be the net proceeds from the complete or partial privatization of a Crown corporation, specifying only those proceeds in excess of the value listed as assets in the accounts of Canada would be credited to this account.

There is one fund which I would like to draw to the attention of this House to enter into debate. That is a little known account called the Canadian ownership account.

Over the summer after discussing with a constituent, Mr. Leslie Bennett, I wrote to the Minister of Finance asking for complete and detailed information about a

huge sum of money which sits in this account. I have yet to hear back from the minister.

The best information available to me is that as of March 31, 1990 the fund totalled $1.9 billion. This money comes from a levy which was set in June 1982 retroactive to May 1981, which was rolled into the domestic price of oil and gas consumed in Canada to finance "future acquisition of foreign owned assets by federal Crown corporations in the energy field", Petro-Canada. Its purpose was to help meet Petro-Canada's goal of 50 per cent ownership.

The amount of $1.9 billion is a lot of money in my books. I have yet to see it show up anywhere with respect to deficit or debt elimination.

Perhaps it was to be earmarked to pick up the slack in the loss of money for discretionary spending this government has. I hate to use the word "patronage", possibly, or "slush fund".

In any event I presume, since it was designed with respect to a Crown corporation, that it will be used in this fund. At least I sincerely hope that the government is serious in this and will redirect that money for that area.

I will be keeping an eye on it. I am here to make sure that the moneys which Canadians and certainly my constituents so dearly want to see go for debt reduction are going to that area. I will also anticipate an answer from the minister to the question which I have directed to him in this regard.

• (1330)

In closing, I would like to say that while I support the principle of the bill and will support the bill at second reading, I also have many concerns. I will be carefully monitoring the progress of this legislation when it goes before the committee.

I think all Canadians—and I hope this government is serious too—are deeply concerned about the economy of this country. These are very tough times with the recessionary period we are in today. Bankruptcies are soaring. My colleague mentioned the importance of small business and how this recession has hurt small business. We know that small business accounts for 80 per cent of the jobs created in this country. They are created by those businesses that have 10 or less employees. Most of them are mom and pop organizations.

I thank you very much, Mr. Speaker, for the time you have allocated to me.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I welcome this opportunity today to speak to Bill C-21, an Act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada.

Mr. Speaker, I had the privilege of being here Wednesday, during the Finance Minister's speech.

[*English*]

It was the longest, pious nonsense piece I have ever heard in this House. I was astounded that the Minister of Finance could maintain a straight face in the course of his remarks, because what he said was absolute nonsense, garbage. It did not reflect what he said it was saying all the way through. I must say that is the position of the Progressive Conservative Party in this country. It says one thing and does exactly the opposite. It is amazing, the statements that are made, and I will refer to those in the course of my speech.

However, first I want to quote from the words of the Minister of Finance. He sounded like his predecessor. I thought that having realized what a series of mistakes his predecessor had made he might have changed the word structure a bit, but he did not; he stuck with his words. This is what he said, and I am quoting from page 2326 of *Hansard*.

> This government is committed to a policy of sustainable growth with price stability. We are committed to an economy that can support the social programs that have made Canada a good place to live. We are committed to ensuring that our tax system is fair and to deficit reduction and debt control. We are committed to this because we want to ensure that future generations will not be strangled by the huge overhanging burden of debt.

Then he had the unmitigated gall to say:

> Since 1984 we have been taking a number of steps to reduce the federal deficit so that we can control and reduce the burden of national debt.

If they have taken those steps, it is patently obvious to every Canadian that they have not worked. In fact it has been a colossal disaster.

I want to deal with the issues that he said he had performed so brilliantly on. He listed six. He listed sustainable growth; he said that sustainable growth was one of them. That was a commitment and a policy. He listed price stability. He listed social programs so that we would maintain our nice place to live. He listed fair taxation, deficit reduction and debt control.

I would like to deal with each one of those, and I would like to present some figures that will make the hon. member quiver in her boots.

On sustainable growth, he talked about how he was maintaining growth at a sustainable pace in Canada. Certainly until the latest recession which the government induced, we did have reasonable growth in this country. I do not deny it. Everyone said it was a period of great economic growth and prosperity in our country.

That was quite true, and I may say that it was the good Liberal policies of the previous government that brought about that sustained period of growth. In fact the government is always quoting 1984 figures as though that were the *annus mirabilis*. It was in 1983 when the economy came out of recession. Things turned around and we had great growth and it continued for many years after.

This government, through its botched policies, has failed to capitalize on that growth and make it continue throughout this period and has induced a recession instead. The figures I am quoting from are the government's own figures. They are published by the Department of Finance. The minister himself released these in the *Quarterly Economic Review* annual reference tables dated June 1991. Government expenditures on the national accounts bases increased from a figure of $106,527 million in 1984 to $151,847 million in 1990, almost a 50 per cent increase.

The minister calls this sustainable growth. I call it government overspending on an impressive scale, and I think most Canadians and most economists do. They say the government has not brought spending under control in spite of the minister's absurd assertions to the contrary.

Let us turn to price stability, the second great thing that the minister has pronounced as a sign of great Tory management. What rubbish. He says that we have had price stability. CPI increases since 1984 have been over 4 per cent in every year but one when it was 3.9 per cent, and that was in 1985.

Again, I am relying on the government's blue book of statistics; I am not making these figures up. But, in spite of the claims of price stability which he made with a straight face in this House on Wednesday, in May of this year the increase year over year in the Consumer Price Index was 6.2 per cent. That is in May of this year. The increase over last year was 6.2 per cent. That is the government's own figure. That is a shocking abdication of responsibility.

We know why it happened. If the hon. member had been here and listened to our speeches day after day, she would know why it happened: GST. The GST drove up the Consumer Price Index. We all said it would and the opposition, throughout the debate on that bill, maintained that prices would skyrocket as a result of the GST. But the Minister of Finance said: "Oh, no, we have it all planned; everything is planned. It will be just peanuts. Maybe 1 per cent at the most. It is peanuts. Don't worry about the GST". We are worried about the GST and Canadians are worried about the GST. They know they have had the wool pulled over their eyes by this government and the GST in more ways than one.

Now I want to turn to social programs. The minister says the government has maintained social programs for the benefit of all Canadians. Tell that to the people who are trying to collect unemployment insurance today and are told they cannot because they have not worked enough weeks. The government extended the working period for qualification. Ask those who are off unemployment insurance today because their benefits have run out since the government shortened the period of payment of the benefits. Ask the people who are working today who are paying the huge increase in premiums as a result of this government gouging them out by making them pay more and abandoning the commitment of the government to contribute to the unemployment insurance fund from other government taxation revenues. Ask those people if they think social services have been maintained in Canada.

Ask the senior citizens of this country who have had their pensions clawed back if they think social services have been maintained. Ask those who are receiving family allowance who are suffering the clawback if they think that social services have been maintained. Ask the hospitals of this country that have found their funds cut from the provinces because the federal government has abdicated its responsibility to make the transfer payments under the various agreements that have been entered into. Ask them if they think social services in this country are being maintained.

Nobody in Canada, except the Minister of Finance, thinks that social services have been maintained. Everyone thinks they have been cut, but the Minister of Finance buries his head in the sand and pronounces that everything is as it was. What utter hogwash. How could he make such a speech with a straight face, I say to hon. members opposite.

Some hon. members: Name one that has been cut.

Mr. Milliken: Unemployment insurance. I have just been through it. Hon. members have clearly been talking among themselves and paying absolutely no attention to my speech, which is typical of government backbenchers. If government backbenchers in this House listened to the opposition, they would vote this government out of office. We would have an election tomorrow and we would solve the problems of this country in one fell swoop. Most Canadians want one. If these people knew what Canadians wanted, they would be voting for an election. They would vote non-confidence in this government so fast these ministers would not know what had happened to them.

Let us turn to number four of the minister's great planks. He referred to fair taxation. He said he has maintained fair taxation in Canada. The figures do not support this. Let us look at the figures. He says that taxation is fair. Yet, in 1984 the direct taxes levied on persons in Canada, as opposed to corporations, amounted to $37 billion and change. In 1990, $73 billion and change, on persons. Got it?

• (1340)

Now, let us turn to corporations. Direct taxes in 1984: $11.319 billion, in 1990: $10.885. They went down. The taxes on corporations went down and the taxes on individuals almost doubled. That is tax fairness Tory style. Gouge the people and let the corporations off scot free. That is the message of the Tory government in this country. That is the way it believes in fair taxation.

Let us turn to indirect taxes, if you want another indication. Indirect taxes are the things like sales tax and excise tax, as well as customs duties, but they are perhaps not included in this figure.

The 1984 indirect taxes in Canada were $18.124 billion, in 1990: $26 billion. Individuals pay a good chunk of those indirect taxes, in case the hon. members opposite are unaware of that fact. Corporations do too, but that is the kind of tax increase Canadians have had. However, the Minister of Finance, with a straight face, maintains that this government has provided fair taxation for Canadians. No one in Canada believes it. No one, except, perhaps, the minister. I am not sure. I do not know how he could believe it if he looked at the figures.

Let us turn to number five in the minister's litany, deficit reduction. He talks about the government's success in deficit reduction. Indeed, I quote his great statement: "Since 1984, we have been taking a number of steps to reduce the federal deficit."

On a national accounts basis, and again I quote from the blue book the government produced: "In 1984 the deficit was $30.024 billion, in 1990 it was $25,000,000,534." It has been reduced, I grant you that, by $5 billion, but it has never been below $19 billion and change since this government took office on a national accounts basis. This is not deficit reduction. This is just deficit carry-on. The government has failed to reduce the national debt.

Number six in his litany was debt control. He says: "We want to reduce the federal deficit so that we can control and reduce the burden of national debt." Well, the burden of national debt, again using the government's own figures on a national accounts basis, was $167 billion and change, almost $168 billion in 1984 and $357 billion in 1990. Almost $358 billion.

As a percentage of the Gross Domestic Product, the national debt has risen from 51 per cent in 1984 to 61 per cent.

An hon. member: What about the deficit?

Mr. Milliken: The hon. member just now asked about the deficit. I just gave the figures for the deficit. Honestly, if she would pay more attention to my speech. It appears that my figures go in one ear and out the other. I wish she would pay attention. She can read it in *Hansard* on Monday.

The fact is that the government's economic policy has been an utter and complete disaster. I am not an economist, I do not claim to be gifted in this area, but I have some understanding of simple facts and figures, which obviously the Minister of Finance has missed in his presentation.

I want to quote from a statement issued by the Toronto-Dominion Bank, Department of Economic Research, its commentary on the 1991 federal budget.

I know that the Minister of Finance did not deliver this budget himself, it was his predecessor. But when he took office, he said he agreed with everything his predecessor had done, which I thought was a bit generous.

I would like to read just a few sentences from this statement.

> The 1991 budget of the Minister of Finance moves from an unrealistic short term scenario to an "Alice in Wonderland" medium term outlook. The 1990–91 budget deficit seems to be understated by close to $2 billion as the increase in interest costs are stated at only $1.8 billion when the government's sensitivity analysis would indicate at least twice that amount.

I will skip a bit.

> The main problem of this budget is that it addresses none of Canada's major economic problems.

As I said, this is exactly the position we have been placed in by this government's inactivity. I know figures are a little bit boring, but I have to go back in reading the Minister of Finance's comments to the government position paper announced in 1984, *A New Direction for Canada: An Agenda for Economic Renewal*. That was the title of this document introduced by the Minister of Finance's immediate predecessor.

Of course in this document they gave the worst case scenario for Canada. I have quoted some of these figures previously in this House. It is almost tedious to have to go back to a document like that, but yet the government said this was its policy. It claimed it was going to work. The Minister of Finance had the gall on Wednesday to claim that it had worked when patently it had not.

It said that the worst thing that would happen if it did not take control of the economy, as it claimed it was doing in 1984, was that program spending would reach $103 billion by this year, in fact by last year. It is a good deal over last year's figure. It went to $109 billion, that is program spending. It also said that government revenue in 1991, if it did not do something about it, would be $100 billion. It did something about it. It raised it to $120 billion, that is taxes gouged out of the Canadian public.

It said that public debt charges, if it did not do anything about the situation in 1984, would reach $34 billion by 1990–91. Well, it has not. They were a little lower than that last year, but they are probably going to be that figure this year, which is a sad commentary on the government's incompetence and ineptitude.

Finally, it promised that it could bring program spending under control and fight the deficit. Yet program spending has increased consistently throughout the government's term in office.

It has been a botched and total failure in terms of the objectives set out in the 1984 document. Either the 1984 document was another fraud perpetrated on the Canadian public for public relations purposes or else it had some meaning. If it had some meaning, clearly all of the objectives that were the worst case scenarios have been met and exceeded by the government except one.

Let us talk about this bill. This is another one of these public relations gimmicks that this government is so keen on pushing on the Canadian public. The purpose of the bill is to establish a fund called the debt servicing and reduction account in the Consolidated Revenue Fund of Canada.

The government is proposing to put certain funds in there, principally the GST revenues, and then say those funds will be applied to reduce the public debt and they cannot be applied for any other purpose.

I invite you, Mr. Speaker, to consider your position. I do not know how you keep your money, but suppose for the purposes of my discussion you have all your funds, however much that may be, in one bank account. Out of that bank account you pay all your expenses. All your paycheques go into the bank account. All the expenses are paid out of the bank account. But you decide for the mortgage on your house or for the rent you have to pay on your house, whichever it may be, but let us call it a mortgage for the purpose of my argument, to set up another similar account at the bank. You open a new chequing account. The purpose of that is to pay in a certain sum of money each month and then write the cheque for the mortgage payment on that account each month or have it deducted.

That is what the government in effect is doing in this case. The only hitch is if you were opening an account to pay your mortgage, as the government is doing in this case, surely you would put into the account as much as you would expect the mortgage payments will be. After

all, most people have fixed mortgage payments or fixed rent payments. They may change annually but they are generally fixed for a period of time.

If you had a mortgage payment of say $1,000 a month, you would not put in $500 a month and then allow the account to develop a huge overdraft because pretty soon your banker would phone you up and say: "Mr. Speaker, we want you to transfer funds from your big account into the other one to cover this imbalance".

What the Government of Canada is doing to bamboozle the Canadian public is opening this special account and not paying in enough money to the account to pay the interest charges on the public debt. It is far below. In fact, at the end of five years, on the government's own figures, it is estimated that this account will have $100 billion deficit. That is how far short the payments that are going into this account are. Why bother opening it in the first place? What is the purpose of this?

• (1350)

This bill is being passed in this House for the sole purpose of convincing Canadians that the money they are paying in the GST is going to deficit reduction. They can say it is going into this special account. Well, any shortfall in this special account is either going to be made up out of the Consolidated Revenue Fund of Canada or in further government borrowing. That is where it is going to come from. To argue that somehow this money is saving the taxpayers of Canada anything or is committing their GST dollars to go to any particular thing is absolute rubbish and nonsense.

For the Minister of Finance to consider introducing such a bill as this is just pie in the sky, and he knows it. He knows this is a waste of money.

I would be interested in knowing from the minister at some point—and perhaps the legislative committee when it studies the bill could get these answers—how much more it is going to cost to administer this special account in a Consolidated Revenue Fund. I would like to know how many additional public servants are going to be hired to administer this special account. I would like to know how much more—

An hon. member: Tax police.

Mr. Milliken: They have already hired 3,000 tax police to collect the GST, and it may be up to 4,000 by now. It is the most expensive tax grab in Canadian history, but they think that is good value for money. Who are we to argue? They do not listen to our arguments on that point.

How many additional employees are going to be required from the Auditor General to audit these accounts annually as is required by this bill? What are the additional expenses of passing this silly act of Parliament? How much is it going to cost to have it printed in the Statutes of Canada and carried there for years and years when it is doing absolutely no good at all?

Any reasonable person in this country, had he or she an account at a bank for paying mortgage payments, would put enough in it to defray the mortgage costs. This government is not even proposing that in this bill.

I suggest that the bill is a waste of the time of this House. It is silly and the government ought to withdraw it.

Mr. René Soetens (Ontario): Mr. Speaker, I enjoyed listening to the presentation. As is always the case, the member presents his case rather well. I am not going to debate all those statistics that he used, and some of them are probably accurate, but I would like to ask the member about two particular points.

I have been listening to not only his speech but a number of others on this bill, and I was not sure whether I was still sitting on the Conservative side of the House or the Liberal side of the House. What I was hearing was items like expenditure restraint, cut in programs, irresponsibility on the part of government with regards to spending, that we have increased spending 50 per cent, and those numbers that make it sound like we were spending like drunken sailors or socialists.

I have a question for the member and I would really like him to respond. We still have a $30 billion deficit and we are not going to debate that, I hope. At least that is the projected deficit. I would like the member to suggest to me and maybe to all the House how we can make his speech believable, because I think he used that word in the context of the finance minister's presentation. So that we can understand his speech to be believable, I would love for him to say now, very specifically, none of this balderdash about that if we improve the economy this will go down, which program it is that he can find. In fact I would love a series of programs that would get rid of that $30 billion. Do not just say cut the interest rate in

half because that, as you know, will only save some $15 billion.

I would like to know where he would find the other $15 billion, even $10 billion or, as a matter of fact, $5 billion worth of programs that any member on that side of the House would support in the way of a cut.

I have listened to his argument about revenues. He complained that we have jacked the revenues up tremendously, so naturally he is not going to want to raise taxes. I would like to know where he is going to cut, to make his speech even partly believable.

Mr. Milliken: Mr. Speaker, I am sorry that the hon. member has missed some of my previous speeches because I have preached for restraint from this government before. I have urged the government, for example, to cut the interest rate which would reduce the interest payments as the hon. member has indicated by about half and thereby reduce the deficit by about half. I would start there.

In Question Period today the finance critic in our party criticized, very roundly, the government's high interest–high dollar policy which is causing such havoc in Canada and defeating any benefit Canada might have received from the free trade agreement.

In addition to that, I would slice the cabinet in half and I would save many hundreds of millions of dollars in payments to staff, in payments to additional high ranking public servants and so on. This cabinet is so oversized and overblown that it is unbelievable.

I would reduce the number of parliamentary secretaries and save another swat of money. I would reduce the government advertising budget. I think this government spent $91 million on the advertising for the goods and services tax alone. The total advertising budget of this government is gross. I could list a host of government publications that are some of the biggest wastes of money, clearly put out for public consumption to make the public believe something is being done, when in fact the government has not the faintest idea of what it is doing but puts out a nice glossy booklet to indicate that action is being taken. Those are other significant ways of saving money.

I would also suggest that the government could reduce its costs significantly by avoiding waste and duplication. The waste between government departments, the overlap between services provided by various government departments is very great, and then there is the goods and services tax, 3,000 new tax police hired by the government, hundreds of millions spent on new facilities across the country.

The government patted itself on the back before this recent strike, claiming what wonders it had done in Canada by reducing the Public Service by 15,000 over the last six years. It boasted about this as though this was some kind of triumph of reason over justice. I don't know which it was, or justice over reason perhaps. Whichever way it was, it promptly hired 3,000 more tax police to enforce its new goods and services tax.

It should have had the wit to bring in a proper tax that melded with provincial taxes. There is a whole taxation collection in place in most of the provinces of Canada, all but one. They could have made contracts with the federal government for collection of this tax. Any government but this one would have made that kind of arrangement. But this group fumbled and bungled the thing so badly, as typically as it has done with almost every other program it has touched, that one is not surprised that Canadians are saddled with hundreds and hundreds of millions of dollars of extra expenses because of its inability to take control of the situation and make proper deals with the provinces.

Those are the places where I would save money. I am not advocating wholesale cuts in programs. If the economy were properly managed we would not need them.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to compliment my hon. and learned friend on such a responsible address, on such an outstanding recitation of the facts, which I am sure are honest, correct and total, and indeed on the thrust of the presentation that he has put forward. I am particularly pleased and gratified that the hon. member has made it clear in the form of question as to why this government would see the necessity to introduce this kind of legislation. This is a legislation introduced by the government to legislate itself to make sure that the revenue neutral promise that it made a few years ago is now not going to take place.

There is no wonder people are confused as to why this bill is being introduced. As somebody put it earlier today, it is like passing a law that says if you are drowning you should try to swim to shore and rescue yourself. Why is there a need to legislate that? Can we not trust the government to try and keep its word and reduce the debt, as it said it was going to do? Why do we have to pass laws? I mean, are we going to have to pass other laws to make sure that the government does what they

say they are going to do? Perhaps that is not a bad idea after all.

In particular, by way of a question, and I would like my hon. learned friend to comment on this, he is as aware as I am that during the election a few years ago, in fact three years ago almost to the day, the government was aware of the condition of the national debt and the burden of debt that is still upon us. In fact it has doubled in that relatively short time. I have before me today a release on the concern of the Canadian public over a child care program. I recall, as I am sure the hon. member does, when we were doing our campaigning the government of the day was making promises to the tune or in the vicinity of $4 billion for a child care program. What is now going to happen to those programs? What is going to happen to those promises?

• (1400)

If my figures are right—I did not do the sums myself but I am quoting reports in the media that I remember very well—the spending promises added up to somewhere in the vicinity of $12 billion depending on how the extension of the promises was worked out.

I do recall the Minister of Finance at the time saying that they were not promises and that they were all there in the budget. What was the concern?

Here you had a statement that $12 billion was being added to the then national debt, which did not seem to be of any concern. It was never an election issue. It never came up as a point of discussion.

All of a sudden, on November 22, we found we had this great national debt and all those great promises suddenly disappeared. Would the hon. member care to comment on that?

Mr. Milliken: Mr. Speaker, I want to thank my hon. and gallant colleague from Bona Vista—Trinity—Conception for his very perceptive question.

Of course I am pleased to comment on this. The last election was another case of the government promising pie in the sky to Canadians when it had no intention whatever of delivering on the promise.

The hon. member I am sure remembers that the government introduced legislation in this House to establish a child care scheme. The legislation was sent to the Senate two days before Parliament was prorogued.

The Senate offered to sit through the weekend if the Prime Minister would delay the prorogation of Parliament in order to pass the legislation. The hon. member for St. John's East knows this. However, the Prime Minister said: "No, no, no. We will prorogue. We are going to the people". Off he went to the people.

Then he blamed the Senate for the lack of a child care program. He said: "It is the Senate's fault". I would have thought that a Prime Minister who made that kind of assertion in an election campaign would have introduced a bill on the first day reconvened and said: "Let's get it through now". Not this one.

Now we are told it may not happen at all. Why? Because the Conservatives botched the country's finances so badly. It was not just in 1988 that they promised deficit control. They promised it in 1984. They did not do it then. They did not do it in 1988, and no Canadian thinks they will do it the next time around either. No Canadian believes what they say.

An hon. member: Oh, oh.

Mr. Milliken: If the hon. member who is protesting so much would simply vote the government out tomorrow or on Monday when we have a confidence vote, if we vote it out of here, I will go against the government and I will invite her to do so. Let's have an election and see what happens.

She will lose her seat and so will three-quarters of the members on that side of the House and properly deserved because they have been so bad.

Mr. Dan Heap (Trinity—Spadina): Mr. Speaker, I want to make just two or three main points.

This bill's stated purpose is to create a new account called debt servicing. Into this account the government says it would put surplus revenue from the GST, money from the sale of government assets and gifts to the Crown for the purpose of reducing the debt.

I agree with my colleagues in the NDP who have said that this whole project, or this fund, is a phony. I believe it will not make any difference to the size of the debt or even to the deficit as some of my colleagues have explained. In fact, it is an attempt at brainwashing.

It is not the first that I have seen. Ten years ago we had the six and five legislation from the Liberal government. That ensured that people on pension, people receiving child allowance and all sorts of people of poor and middle income had their income chopped by 5 or 6 per cent one year or the other.

As I understand it, this did not result in any significant reduction of costs. It tried to brainwash poor people and middle income people into thinking that they were responsible for the financial crisis.

I remember a month after the debate on six and five talking to an elderly man looking rather grey standing on an unpainted, wooden porch in front of his poor home. He said: "We have been living beyond our means". That was an instance of the success of the false propaganda put out by the Liberal government to blame the victims for the recession we had in 1981–82.

This is a similar attempt in a similar recession to tell the victims that it is their fault that the economy is in a mess. Therefore, I heartily support all those who vote against this bill. I have to be absent on Monday, but if I could be here I would be voting against it, as my colleagues well know.

I do have a suggestion as to how the government can fill this fund if it really wants to. However, first I want to point out what caused the deficit. The former Minister of Finance and his colleagues say that it was caused by overspending on programs such as health, welfare, housing, education and so on, which benefit the very large majority of people of this country. Therefore, the people are to be made to feel guilty because that money was spent.

In fact, Statistics Canada has shown that there was no significant increase in the size of government spending in relation to the growth of the Gross Domestic Product. In other words, the economy was rising, people were working, goods and services were being sold in increasing amounts. The economy expanded and those programs, more or less, kept pace with the economy. They were not the cause of this $400 billion debt, as the government would have us and the public believe.

The cause was not poor people receiving pensions or welfare or unemployment insurance. It was not working people on middle incomes who received some benefits such as declining child allowances and health care, which the government has been cutting back and plans to cut back completely by the end of this decade, as far as the federal government is concerned and then dumping it on to the provinces. That was not what caused the deficits and the debt.

According to the report of Statistics Canada to which my colleague earlier referred, 50 per cent of that debt was built up by high interest rates, interest rates that were unprecedentedly high for an unprecedented or unstated purpose. Normally, interest rates float 1 or 2 per cent above inflation.

When I came here, the then Minister of Finance, Mr. MacEachen, answered my first question in the House by saying: "We cannot bring down the interest rates", which were then floating up between 15 and 20 per cent. "We cannot bring them down until inflation comes down". He said that throughout the rest of the term of the Liberal government. I have been hearing it from beginning to end from the Tory government and it is false. The interest rates bear no relation in this case to inflation. They have usually been four to six points above the inflation rate, rather than one or two points. That spread, which places our interest rates above the United States, has caused half of our $400 million public debt.

Forty–four per cent of the debt, nearly all the rest, was caused by tax giveaways in the last 15 years to the richest corporations and to the richest individuals in the country. Some of it filtered down almost to the middle level but most of it went to the richest. For example, the capital gains tax which mostly went to real estate and investors not to some poor farmer or worker in the city selling his home.

Also, there is the business entertainment tax, $1 billion per year for things like a seat at a football or a baseball game with guests, or birthday parties with guests, some of whom included corporate representatives. Therefore, it was called a business expense and subsidized to 80 per cent by that billion dollars out of our federal funds.

• (1410)

There are other matters similar to that, but I will not go into it at great length. It is all there in the public record to be found. There was, for example, the dividend tax credit of $1 billion. There was interest deductibility for $750 million and so on and so forth. There were smaller amounts, but those are some of the big ones. It was those giveaways to the wealthy corporations, giveaways to wealthy individuals which ran the government deeper and deeper into debt while the programs that helped the vast majority of the Canadian people on low and middle incomes scarcely increased at all as a percentage of the economy of Canada.

There is also what has come to light recently, $5 billion or more that has been spent on contracting out work that is normally done by civil servants, a speech writer getting $700 a day, that sort of thing; a lawyer working for a fee for the government getting $840,000 in a year. That, of course, in many cases replaced work that would have been done by public servants of one or another group. While the government was reducing the number of public employees, it was paying not as much but more to get that work done by the people who were able to influence the government to give them contracts.

In fact, the government spent more on the contracted out work, over $5 billion, than it spent on the whole salary of the Public Service in Canada, which was $4.8 billion. It spent $200 million more paying other people to do the work than it spent on 150,000 public servants who are still on salary. It is the government's determination to milk the public treasury for the benefit of its friends, whether through tax giveaways to the corporations and rich people or through these fat contracts for work that could have been done and is often better done by the civil servants who are trained to do it and who have a conscience about how they do it.

What we have apparently—I cannot prove these details—looks as though it is a case of double dipping. The rich individuals and rich corporations whose tax rates were brought down, both the personal tax rate and the corporate taxes through all these tax giveaways, had money left over which no doubt many of them were able to lend to the Government of Canada at these lovely high interest rates. In other words, they got paid twice. They got paid once by the government when they gave them that tax giveaway, billions of dollars of tax giveaways. They got paid again when they invested in the government debt at an extortionate rate of interest to be paid by the taxpayers who were paying their taxes.

My suggestion, if the government is serious about actually filling this fund and not just putting it out as propaganda, is that it could very easily recover a large amount of that fund if it would send a letter to those corporations, to those individuals who received those billions of dollars in total of tax benefits and say: "Look friend, we helped you out. We are in difficulty now. Will you help us out by donating back to the government the taxes that you ought to have paid, but from which the government excused you", and the interest rate which was extortionately high. "You businessmen know that it was extortionately high, you were feeding on a gravy train, and now the people of Canada and the Government of Canada need that money. We will not charge you interest on what you held over the years and should have paid in morally, politically, socially, and economically. We will not penalize you for damaging this country's economy by persuading your cocktail pals in the government to rig the tax system so that the burden fell on the poor and the middle". There were thousands of individuals and corporations paying no tax at all. Even banks, some years, made $200 million or $300 million profit but paid no tax.

We are not asking them to pay a penalty for what they did. What they did was legal, but we are asking them in the name of the need of Canada, the need of the Canadian economy, to give back that money. It would go quite a distance, if not all the way, toward removing this year's deficit. If the government then restored the taxation, even if it restored it to the taxation level for the rich that was the case in 1984 without going back to 1974, because these tax grabs were given both by the Liberals and the Tories, if the Tory government only went back to 1984 and started taxing those people at the level they should have been taxed at, we would see our deficit declining year by year.

That is my suggestion. If the government wants to convince us that this bill is not a fraud, a scam, an attempt to propagandize and browbeat, and blame the majority of people in the country who are the victims of this recession and the victims of this tax scam for 15 years, if it really wants people to believe it is asking to get that debt reduced, that debt that is so profitable for many of the wealthiest people in Canada, that it really plans to

reduce that debt, then it could ask those rich corporations and rich individuals to give back the money that the government originally excused them from giving.

Mr. Ron Fisher (Saskatoon—Dundurn): Madam Speaker, I congratulate my colleague from Trinity–Spadina for a very astute analysis of the situation which the treasury of our nation has found itself involved in and also a very astute analysis of the government's rationalization for trying to get out of it and blame and put the burden on those who are absolutely blameless insofar as trying to reduce the national debt or the annual deficit.

I am not sure if the hon. member pointed out that under successive governments, Liberal and Conservative, as demonstrated by the Stats Canada study which was done pointed out, 44 per cent of the debt which this country has accumulated is directly attributable to tax concessions to the wealthy, which includes individuals of course and corporations, directly attributable to that, 44 per cent.

Another 50 per cent is attributable to the high interest rate which can be laid at the doorstep again of successive Liberal and Conservative governments. There is no doubt whatsoever that this present government was tardy in bringing the interest rates down to a level which was commensurate with the ability of this nation to be able to sustain and was tremendously damaging thereby.

The Stats Canada study also found that a mere 6 per cent of $400 billion, a pittance in the whole scheme of $400 billion, was directly attributable to living beyond our means.

• (1420)

Yet, if we listen to successive finance ministers of this present government, they have tried to make Canadians believe that they are directly responsible for this by living beyond their means. Of course what they are implying is that we have to cut back on social programs. That is the context in which they put every criticism of the financial destitution of this country.

What has happened is that it has led Canadians to feel guilty about going to their doctors, and medicare is a social program. It has made Canadians feel guilty, as if there was not enough self-imposed guilt, for being unemployed. They make Canadians feel guilty for being on welfare or social assistance. Those programs account for a mere 6 per cent of our federal debt, through absolutely no fault at all of those people who go and see the doctor, no fault at all of those who become unemployed and certainly no fault of those on social welfare.

We have heard a lot within the last couple of days about children. My leader today referred again to children, for the second successive day, in the lead-off questions from my party. Fifty per cent of the people receiving welfare in this country are children. Yet this government says that those children ought to feel guilty for having been so irresponsible as to have to go on welfare, to receive public programs. By implication it implies that 50 per cent of the people receiving welfare who are children ought to be guilty and feel guilty for receiving that money from the public purse.

I would like to ask the hon. member from Trinity—Spadina whether or not there are many people in his constituency who would agree with what he and what I have said. Perhpas he can give us some examples of people who are suffering at the hands of this government and perhaps are even compelled to feel guilty, through no fault of their own, by programs which this government has foisted upon Canadian people.

Mr. Heap: Madam Speaker, I thank my colleague for reinforcing what I was saying about the general origins of the $400 billion national debt. He has asked about examples, perhaps from Trinity—Spadina.

I have been talking this summer with a number of people who have been thrown into unemployment by termination, not layoff, in plants that have been closed very often directly and solely due to the free trade agreement with the United States. Sometimes, in the opinion of those workers when I talked with them, they blamed it on the GST and the high tax. That is why their little firms, firms with maybe 50 or so people making clothing, closed down forever, permanently, because of the GST and the high Canadian dollar and the high Canadian interest rate.

It is all one package by this government for the same purpose, to weaken the power of working people and to strengthen the power of multinational corporations,

whether they be American, Canadian or Mexican. It is all part of a package.

I want to give a few contrasts which people in my riding are noticing. The government increased unemployment insurance premiums by $180 a year for each Canadian worker, but it increased also the more than $2 billion capital gains tax exemption for Canada's wealthy. It cut $340 million in social assistance funding that goes to Canada's poorest, but it kept the $1 billion subsidy to business entertainment expenses. This is the government that is trying to cut expenses? Give me a break.

This government cut $100 million from the Canadian Jobs Strategy for retraining workers, but it kept the billion dollar manufacturing and processing tax credit. It reduced support for social housing by $32 million, but it kept the billion dollar dividend tax credit. Those are the giveaways to the rich, while it was taking from the poor, upside down Robin Hood. That is what this government has done. That is why this country is in financial trouble. All except the richest. They are doing just fine.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, as I have been listening to this debate over the last two days, I have been struggling to find anything good about why we are taking the time to do this, in light of the fact that there seems to be so many other important issues pressing us in terms of the country today.

It sort of dawned on me as I listened today that the one benefit of debating this bill is that it gives all of us in this country and this House the opportunity to review the tax policy of this government since it took office.

When the member for Etobicoke Centre took office, he promised comprehensive tax reform. I do not think that there would be anyone in this country who would agree that he has achieved any kind of comprehensive tax reform.

Comprehensive tax reform has to meet certain tests. One of those three tests would be simplicity. We certainly cannot say that anything he has done on tax reform is simplicity. We will remember that he did take over a tax regime that had been built up for many years. He did have a big challenge in front of him.

When most Canadians actually take a look at the Income Tax Act of Canada, they are horrified—15,000 pages of rules, regulations, exceptions, exceptions to exceptions. Even the best tax lawyers and the best tax accountants in this country say that they have a difficult time following the Income Tax Act of Canada. He had a chance to simplify the tax system and he did not achieve that.

The second test is fairness. That is where I think the government is really boxed in because without fairness in the tax system there can be no productivity. In fact, without fairness in the tax system, there is basically a system that is a disincentive to productivity. Because he did not simplify and put a fair income tax system in place, he has even exacerbated that problem by bringing along the GST which even amplifies the fact that the whole tax regime is not fair.

The third test is efficiency. There is no way that anyone would say that this government has done anything which even resembles efficiency which it comes to the tax regime, whether it is on the income side or on the GST side. That is where we have a problem in this country.

As I was walking the streets of my riding this summer in downtown Toronto, the east side of downtown Toronto, Queen Street or the Danforth, yes, there are a lot of concerns in the country today in terms of the environment and national unity. But one of the biggest complaints I heard from my constituents, and I know most other members have heard it well, was: "Taxes are killing me. The taxes in this country are causing me to consider whether or not I even want to stay and do business in this country".

People are losing their sense of drive. They look around and they see that the harder they work the more taxed they become when it should be the reverse. The harder they work, there should be a system whereby they are rewarded for that work rather than punished.

That is where I think this government has really failed.

• (1430)

It is not as if we on this side of the House or we in the Liberal Party are not concerned with the deficit and the debt. We are concerned about the deficit and the debt.

There is one thing that we do realize, that is in order to attack that deficit and debt the most important thing is to make sure that the human capital in this country believes that it is being treated fairly.

When we have a tax system where just three years ago there were close to 8,000 Canadians who made in excess of $250,000 a year and who through legal loopholes in our current tax system did not pay any income tax, that is not perceived fairness. Three years ago we had over 2,200 corporations with retained earnings in excess of $25 million and did not pay any tax at all either.

What we have is a situation where people feel that they are not being treated fairly. When people do not feel like they are being treated fairly, that affects productivity. That has to be one of our biggest preoccupations today as a country.

Canadians want to be global traders. They want to be internationally competitive, but it is incumbent on all of us in this House who are legislators to create the environment that motivates our work force.

Is it a motivational plus when we are in the midst of a recession to hit people with the GST? Is it a motivation for small retailers, small restaurateurs, when times are tough as it is to hit them with all of the bureaucracy of the GST?

That is what is wrong with our country today. They have forgotten to treat the human capital of this country fairly. Unless they start going back to that human capital, unless they start listening to what is really bugging people, what is causing people to feel so low, I think the problem we have in this country is going to continue. We are not going to get out of this deficit and debt situation.

I do not share the view of the Conservative government that the way to attack the deficit and the debt is by dismantling. Government by retreat, government by dismantling programs and services, government by just selling off Crown corporations for quick cash, that is not the way to do it.

I am absolutely supportive of the government when it tries to look for ways to eliminate waste and make our Crown corporations more efficient. Anybody who would not agree with that would be nuts.

This is a government that is not using the creative process. It is not encouraging the creative process. It is not trying to figure out ways to get productivity into this country. It is not a government that is trying to stimulate entrepreneurship.

I have heard members of the Conservative Party today ask us on this side of the House what we would do to try to reduce the deficit and the debt of this country. It seems to me that one of the things that we are going to need is lots of foreign capital in this country, if we are going to attack the problems that we have in terms of reducing the deficit and debt.

Before foreign capital makes its investment, it looks at the working environment. It looks to see if there is a productive labour force. It looks to see if it is a happy, motivated labour force. If foreign capital sees that that condition exists, large pools of capital will move to our country.

We are hearing it from every economist right across the world. We have an amber light right now on investing in this country. I suggest that one of the reasons we have those amber lights is because they are concerned about our productivity. They are concerned as to whether or not we have a motivated work force.

The only instrument that this Parliament has to motivate the work force of this country is our tax system. I would bet you, Madam Speaker, and I would bet anyone in this House, that if we had a simple, fair, efficient tax system the productivity levels in this country would increase dramatically. That productivity will send a signal to foreign investors.

What happens when foreign investors come here and bring those large pools of capital and put them in financial institutions and put them in sectors of our economy that need help? They compete to put that money out into the market and that is what puts downward pressure on interest rates. Those pools of capital will put downward pressure on interest rates. When downward pressure on interest rates is there, what does that effect? It effects the attitude that bankers have toward entrepreneurs. Small business loans are more readily available. Mortgages on homes are lower. That, in turn, leads to a quality of life, an attitude which is so desperately lacking in this country today.

I daresay that if that condition existed, where our motivated work force was there, foreign capital, as a result of seeing that we have that asset, that human capital turned in the right direction, then all of a sudden costs of goods would be lower and exports would be

higher. All of these things will come together. But we are starting backwards in this thing.

The Conservative government right now expects the morale of this country to be totally indifferent to the 32 tax increases that it has imposed upon it during the last seven years; 32 tax increases plus a poorly designed GST. I am totally opposed to the GST, but I could actually see a situation, if we had a fair, simple, personal and corporate income tax system, of Canadians reacting to a GST in a positive way if it was a well-designed GST. This GST is a nightmare. It is cruel.

In my riding, I have over 300 restaurants and 150 of them have patios. There are a lot of very small breakfast restaurants. Do you know what they do in my riding right now, Madam Speaker? In the old days people would go for breakfast three or four at a time in the early morning or on a Saturday. One week one person would pay and the following week another person would pay. It would be one bill for the waitress. Now, do you know what they do? They all ask for individual bills to avoid the GST. Do you know what a nightmare that is for a small restaurant where the average bill for bacon and eggs and homefries might be about $3.25 or something like that, when instead of making up one bill for three or four people everybody wants an individual bill? Madam Speaker, it is nuts. It is not fair, it is a disincentive to productivity, it hurts the morale of this country and it hurts the attitude. There is no way that anyone on the Conservative side of this House could ever argue this. I believe they are sensitive to it, but somehow they have just swept it under the table. That leads to another point. When we have a tax system that is unfair, it leads to an underground economy. I am sure you realize, Madam Speaker, that the underground economy in this country is growing by billions of dollars.

• (1440)

There is a Professor W. E. Diewart at the University of British Columbia who has spent many years of his life studying the underground economy in this country. Do you know, there are estimates right now that the underground economy in this country is running between $50 and $80 billion? Most of that economy is there because people believe that the current system is not fair. The favourite trick is someone will come around to your house and says: "I tell you what, this paint job on your home would normally be maybe $3,000, but because this government is gouging us with the GST and it is not fair, and you agree it is not fair, I tell you what I will do, I will reduce the cost to about maybe $1,500 or $1,800 cash. And what will happen is that you don't have to pay the tax on the normal $3,000 but I get the break because you have given me the cash".

Madam Speaker, that is what a poorly designed GST does to the underground economy of this country. It is absolutely disastrous, and I can tell you— Excuse me, sir?

Mr. Brightwell: What about the income tax?

Mr. Mills: Well that is the point. That is what an underground economy is all about.

Mr. Brightwell: It's not all GST, that is the point I wanted to make.

Mr. Mills: You are absolutely correct. But my point is that it is not just the poorly designed GST, it is the entire tax system. It is not simple, it is not fair, it is inefficient, it is complex.

The central issue facing all of us in public life today is trust. There is no other issue. When I stand up here and plead with fellow colleagues in the House of Commons, I am not speaking as a Liberal. I know that I was part of a government that helped make this tax act complex, helped make it inefficient. That is not where I am coming from. I am coming from the fact that we have reached the end of the line. The morale of this country has never ever been this low, it has never ever been this tough out there, there has never been this much pain.

I think that it is now time for all of us put our heads together and really come out with a comprehensive tax reform that will ultimately effect the morale, the productivity, which will ultimately address that concern we all have, and that is eliminating the deficit and the debt of this country.

In closing I want to say that this bill is—I don't know what to call it—smoke and mirrors. There is absolutely no useful exercise in having this bill. If you want to credit a tax and the revenue that it is bringing in, why don't we have deficit reduction funds from the small business taxes that we collect in this country? Why don't we have the senior citizens' deficit reduction plan for all the taxes they bring in? Why are you trying to give this GST some special fund classification? Why not give credit to everyone in this country who is paying taxes? Why not give credit to those manufacturers who are no longer paying the manufacturers' sales tax, but maybe because they are more competitive are paying a higher corporate income

tax rate, why not expose what they are bringing into the treasury?

I don't understand where the government is coming from. The member from Ontario earlier today referred to the fact that in the old days when we took in revenue it just went in to the general revenue fund. It is all the same balance sheet. It is the same set of books. Why create this special fund? It is a diversion. It means nothing. If we are going to go back to the point of trust, that is an action which decreases the trust factor of our government.

Therefore, I along with my colleagues will be supporting this bill as it goes to committee. As one member, I can tell you that when this bill comes back here for third reading, unless some miraculous thing happens in committee, there is absolutely no way I am going to support it. It is smoke and mirrors and it does not address the fundamentals. There is no way I am going to be anything other than crystal clear in opposing this poorly designed GST, which is a monster and a disincentive to the productivity of this nation at a time when, instead of getting kicked, we should be encouraged.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Madam Speaker, I listened very carefully to what my colleague on the other side of the House had to say with regard to the debt servicing and reduction fund. I note he speaks with great care and sincerity.

The one thing I have to say is that the word "trust" is quite right. I really look forward to more trust and all of us here working together to rectify systems and policies. If you do have a more efficient and better way to run a GST or a tax system of this sort, I look forward to sitting on the committee with you, because I think these are the kinds of things we are all interested in.

We have never said it was perfect. What we did say was that the old manufacturers' sales tax was wrong and pointed out the difficulties we had in raising the funding from one industry that represented 20 or 22 per cent of all the economy of Canada. We were burdening one industry, 20 per cent of the economy, with $18 billion. We could not even sell our products abroad competitively. GATT rules one way and you move into a value added tax or a GST which is accept by GATT.

By the way, it is interesting to note that the European market, as they move in 1992, make it mandatory that all their members have a type of a value added tax.

My colleague suggested that we are a government in retreat. I really take exception to that. I do not think this is a government in retreat. In fact, I think we have made many bold moves that are not popular with the people but, indeed, are right for Canada. The first thing was getting rid of the National Energy Program, which really devastated the province I come from. It was the first major move. Free trade is necessary if we are going to compete globally. Life has changed and all international trading has changed so much that, indeed, it is going to be one area that will force Canadians to become more competitive.

Deregulation is another area we moved in and is an area I support. Fear did cause a great number of problems in the country. I am pleased to note that Investment Canada has made a great deal of progress.

I believe you were referring directly to privatization and, indeed, I support the privatizations we have made and really look forward to completing more of them.

You talked about foreign capital, and you are right. Foreign capital can really create the environment for our labour force. But the labour force has to be good. It is part of the stability of this country, with the infrastructure and with the governments.

We do need a tax system to motivate. I know you have spent a great deal of time and energy with regard to a flat tax, which is one way to go.

• (1450)

I happen to believe it is the fairest way to go. We should treat everybody equally with no write-offs and no deductions. I would pro-rate it according to gross income because we should be helping the lower income people and maybe asking the high income earners to contribute a bit more.

As for debt servicing and reduction from the GST, it replaced the manufacturers' sales tax and will be one of the strong support systems in getting the deficit down. When we get that down, we can lower taxes.

I agree that we have to lower personal income tax to create the incentive. Which route would the member take to lower the income tax rate without doing what we are doing to get it down? I believe in our philosophy and I have been here since 1984. We have to reduce the deficit and the debt and we cannot increase taxes. I am not sure the member gave me the direction for us to go.

Mr. Mills: Madam Speaker, I appreciate the comments of the member for Calgary Southwest.

First of all, not one of the European Common Market countries has a two-tiered value-added system. They all have single-tiered systems. The bottom line is that we have a two-tiered system, different from most of those countries. However, let us not get distracted by that because the other question was a more relevant question.

I want to address the retreat from governance. I really cannot figure out what the member meant by saying the government is not retreating. This government has retreated from its national responsibilities on a list of issues so long I could probably spend the rest of the day talking about it.

This central government is so decentralized that the provinces of this country are now running this town. I just have a philosophical disagreement with you. I happen to believe in a strong national government.

An hon. member: You are a socialist.

Mr. Mills: I am a socialist. Can you imagine the member from Calgary calling me a socialist?

An hon. member: I cannot believe it.

Mr. Mills: I cannot believe it. Thank you very much. That really helps a lot in Broadview—Greenwood. Would you say again that I am a socialist? Not too many people in my riding of Broadview—Greenwood think I am a socialist.

I think Investment Canada has not done such a great job, actually. I used to be a big fan of Investment Canada, but I think it needs to be recharged with man-years and more money. Right now we need so much foreign capital that I would plead with the Minister of Industry, Science and Technology to quadruple its budget so that it can go out and hustle foreign investment.

I am not going to argue about FIRA and Investment Canada. I like to have controls on things. I do not like people coming in here and buying things up holus bolus without us having some say in it.

I want to make one last point. I have talked about dismantling and giving away. The member mentioned free trade and gave me sort of a low ball there. If the member could prove to me with clarity that our water was not included in the free trade deal then I would probably shift my attitude on the free trade agreement slightly.

I am telling the member right now that this government has given away water. I swear by it. There is absolutely no way.

I want to answer the member's last question. I believe that—

An hon. member: Oh, oh.

Mr. Mills: What was that, minister from Fergus, where your farmers are going dry right now and you need water but we have given it away to the Americans?

My point about tax reform is that I would go to the human capital and turn it on before I would stick it to them with the GST. That is just a fundamental difference.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I was recently in British Columbia.

Do you know what they are calling Canadians in Bellingham, Washington these days? They are calling us "cheese heads". Do you know why they are calling us cheese heads?

An hon. member: No, why?

Mr. Kilgour: Because thousands upon thousands of lower mainland residents are driving down to Bellis Fare near Bellingham in Washington State to buy cheese and every other product under the sun. The label that stuck is cheese heads. I am told before we had the GST there was a great deal less of this traffic going back and forth across the border.

I remind the hon. member of that because I know that the member for Calgary Southwest is in favour of whatever Uncle Sam says in Washington. Why is it that

even Ronald Reagan did not bring in a sales tax similar to the one we have?

I have to ask a question of my colleague—

Madam Deputy Speaker: You do have to ask a question because the time has expired. After the question there will be a short answer.

Mr. Kilgour: I talked to a member infinitely less partisan than I am about the government which has more underestimated the intelligence of Canadians than any other in history.

Would he favour some type of sales tax, for example, that might apply at the end of the year to manufacturers' sales based on sales without having to go through every layer of the system? Does he think that would be an improvement over the GST, as they do in Washington State? They simply tell manufacturing company *x* that at the end of the year they have to send a cheque for 1.25 per cent of their sales, the same as the GST.

Mr. Mills: Madam Speaker, that is a great question. It is a complex question. I cannot answer it in the time I have left. I have a colleague about to speak. Stay tuned for the next round and we will address it.

Some hon. members: Hear, hear.

Madam Deputy Speaker: Who says there cannot be good civilized fun debate in the House of Commons on Friday afternoon.

Mr. Mac Harb (Ottawa Centre): Madam Speaker, Bill C–28 is an act relating to the accounting of certain payments for the servicing and reduction of the debt of Canada. They call the act the debt servicing reduction account or reduction act.

What an insult to the intelligence of Canadians.

I will refer to one scenario. Mrs. Smith has an account in a bank and she earned $10,000 a year. Her expenditures exceed the amount of revenues. Whether Mr. and Mrs. Smith have one account, two accounts, or three accounts, the bottom line is that she has a deficit at the end of the year.

If the government sets up this account and goes to it on an annual basis to borrow from it then the account would become redundant. If the government were to set up the account and go outside to borrow without taking from this account then it will pay unduly high interest rates on money it probably already has in an account.

Again, it does not make any sense at all.

I have spoken to a number of accountants, those who are chartered, those who are not chartered, and they all agree that this act is a public relations gimmick. The reason it is a gimmick is because in their minds, whether the Minister of Finance or the cabinet or the government in general, they thought they could respond to the public cynicism with something that might attract some support or some attention by saying that all of the revenues from the GST would be put toward the deficit reduction.

That is simply because a lot of people we spoke to in the past couple of years, *vis–à–vis* the GST, said that if their money was going toward the reduction of the deficit they would have no problem with it. Rightly so, but that is not the case simply because there is an existing deficit in excess of about $28 billion every year.

Regardless of the surplus, whether from the sale of a Crown corporation, gifts to the Crown, revenue from the GST, whether the government wants it or not, that money indirectly is going toward the general revenues. The government can call it account *a*, *b*, *c*, *d*, but in general terms they are still general revenues.

At the end of the year there could be a million accounts and still be a deficit. It is deficit. I do not understand for the life of me why the government is trying again to mislead the public with the enactment of an account. It is misleading. The hon. member knows from the figures of the Minister of Finance this account will not even be functional until 1996, simply because we are in the position of a deficit between now and 1996.

• (1500)

There is no such thing as servicing the debt because the over–all revenues are going to go to the account which is whatever you want to call it. You have on the balance sheet a deficit, whether it is $1 or $28 billion. I would ask the hon. member to review the finance department information sheet, which clearly states that between now and 1995–96, we are in a deficit position. If that is the case, why are we—

Madam Deputy Speaker: I am sorry to have to interrupt the hon. member, but it being three o'clock p.m., the House will now proceed to the consideration of

Private Members' Business

Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

INCOME TAX ACT

INCOME AVERAGING

Mr. Vic Althouse (Mackenzie) moved:

That, in the opinion of this House, the government should consider the advisability of introducing amendments to the Income Tax Act so that taxpayers whose income may fluctuate from one year to the next would be able to average their income over five years.

He said: Madam Speaker, this motion I believe is of interest to a great many members of Parliament who will have been receiving correspondence, had calls at their offices and have been stopped in the streets as this particular part of the tax reform package that has been ongoing has come into place.

The background is that the government set out in a tax reform paper in June 1987 its intention to remove the block averaging provision that existed at that time in the Income Tax Act and in fact still exists and will until the end of 1991.

If the House can persuade the government to change its position with regard to block averaging, there will not be a hiatus between tax years so that the tax application will continue to be run in an even-handed manner, if we can persuade the government to change it for the 1992 tax year.

The people who are affected tend to be people whose incomes fluctuate wildly. I am going to be directing most of my remarks to the effects that this policy change has on farmers. It is equally difficult for people who are in the business of entertainment, artists, professional athletes, writers, real estate people, sales people, freelancers, consultants, as well as farmers, ranchers and fishermen. In short, the proposed changes affect anyone who has the likelihood of a very large income one year and then several years of almost zero or very small incomes.

The provision of the Income Tax Act which used to permit five-year block averaging, as it is known in the agricultural community, permitted you to average out the incomes for those five years and pay the tax according to the tax bracket that you would fall into with that averaging.

The government in its White Paper argued because they were changing the tax brackets, reducing the amount and making the steps somewhat smaller that it was not going to hurt anyone to be caught in a higher tax bracket one year versus a much lower one in following years.

When you add in the effect of provincial tax, it still makes a difference in most provinces of about 18 percentage points when you move from one bracket into one of the higher ones. So it is still something of great concern.

At any rate, I digress. I was telling you the background to the proposal which, as I said, began with the 1987 tax reform paper. It was subsequently put into place through a Ways and Means Motion in 1988. We will still be able to have an effect on continued tax policy if we can convince the government before the end of 1991 that it should continue with this.

The government said it really was not a terribly important thing because only 3 per cent or 4 per cent of farmers and ranchers used it, but I will present some actual cases that show that for those five or six it can create very real hardship by not having that option available to them.

The advisers to the department I think engaged in some very creative means of accounting. I have not been able to produce the results that they published which showed their estimate of the effects. I cannot find any other people in the tax field or any other economists who can generate the high figures that they have to show how much money the government thinks it is losing through the averaging provisions. Any realistic view, using the government's own data, does not generate the amounts of money it says it would lose if it continues to have five-year averaging.

The government came up with figures that approach $100 million. Yet, when you look at the fine print of the studies they have done, it is probably only somewhere between $8 million and $17 million of those figures that actually apply to block averaging. So the numbers that are put out as information are, I think, exaggerated badly.

Along with the proposal to do away with five-year averaging, we had a proposal which is being implemented. It would force farmers wanting to use the remains of the block averaging to also include inventory in that year's income, which again skews things quite badly.

I would just say as an aside that the arguments that the people who advise the government brought out for collecting extra money due to the move to including inventories as income each year, have also, I think, been sadly over-estimated. Farmers and fishermen have been on a straight cash accounting method. They can file income tax on the basis of how much cash was taken in and how much cash was spent during the year. If they intend to use any of the loss provisions or averaging provisions, they have to start including inventory. The government estimates that as they switch inventories into the calculations that there will be more tax collected. Yet, anyone who is active in the field of farm accounting and tax consulting says that if there is any advantage to the government in collecting more taxes, it would only occur in the first year and after that there is no more advantage. The amounts that the tax people presented to Finance, which made the decision based on those figures, were extremely optimistic, to say the least.

At any rate, the farm groups and some individual farmers have been quite vocal about the effects of this change. I wanted to put on the record briefly a few of the comments that accompanied the announcement in 1988. We had, for instance, the Alberta Wheat Pool which noted that "These income averaging provisions were originally allowed by the governments as a recognition of the cyclical nature of the agriculture industry, where incomes often fluctuate considerably from one year to the next. As the industry has not changed in this regard, Alberta Pool firmly believes that these averaging provisions should be retained for farmers and that the livestock inventory provision should be extended to non-livestock inventory, including crop production".

• (1510)

The Canadian Federation of Agriculture said: "Net farm income is subject to very large year to year swings. There are currently provisions in the Income Tax Act that are designed to deal with these factors. These provisions are very important and their continuance is strongly supported by farmers. Five-year block averaging is one of these provisions".

With this motion I am urging members of the House to support a review of the government's intention to do away with the five-year block averaging provision and to make it a continuing process so that there is no lapse in the program in the tax year beginning in 1992.

There were other groups as well which had things to say about the proposed loss of the block averaging system. The rural and municipal associations of the three prairie provinces, Alberta, Saskatchewan and Manitoba, say: "The five-year block averaging provisions were originally introduced into the Income Tax Act in recognition of the cyclical nature of the farming and fishing industries. One or two years of prosperity is often followed by years of distress. Despite the reduction of personal income tax rates proposed in the white paper, farmers require relief from the imposition of high tax rates in good years. Such high tax rates ignore the fact that farmers must be able to set aside some of their cash flow in good years for the years when the cash flow is reduced or non-existent. The five-year block averaging provisions are heavily relied upon by farmers and their removal would be a crippling blow to the industry".

Even one of the farm groups which has aligned itself traditionally very closely to the Conservative Party, the Western Canadian Wheat Growers, had this to say: "Farmers require the relief offered by the ability to block average income. Under the cash method of accounting, farm income shows a great deal of volatility. Under the accrual system," which I might point out is the system of including inventories which the government is proposing that farmers now switch to, "there is even more volatility. The impact of this could be to thrust farmers into the situation of wide income fluctuations between marginal tax brackets and consequently a higher tax burden than should be applicable. The rationale in the tax reform 1987 paper is that with reduced brackets and only 12 per cent spread between the highest and the lowest there is no need for block averaging. When provincial taxes are added the spread becomes 18 per cent and in many cases this could amount to a significant tax payable".

There are other tax problems that are accentuated by the government's intention to get out of the block averaging situation. I would like to just present, in the

minutes that I have left, some cases that have come to my attention.

In the current economic recession that farmers in my province have been in for some time, the inability to five-year average becomes even more crucial. For instance, one of my constituents gave up land because he was pressured by his creditors and received a $30,000 debt write down from his bank. Under section 80 of the Income Tax Act, his non-capital losses of preceding years wiped out any gain on the debt and he may in fact eventually have to pay tax on the full writedown that the bank gave him. In other words, the bank wrote off $30,000 worth of debt and said it could not be collected. They wrote it off but the income tax department, through section 80, may in fact still want to collect taxes on that because it considers that the writedown was income and wants its tax on that income even though he never saw it.

Several other producers are being assessed because of paper profits as well. For instance, one producer had to declare a capital gain after he transferred land to the bank, because the land had been purchased at a lower price many years ago than what the bank took it back at. Since his paper income is now over $50,000 because of the paper transaction of the new value of the land, he is subject to the clawback provisions and has to repay his family's tax allowance and child tax credit advances.

In other words, the man did not get any money for his land, but in the process of taking it back on him the bank showed the recovery value as more than what he had originally paid for it. The difference was considered to be a capital gain and that was applied against his income. The man has no money and needed those child tax credits and the family allowances. He in fact had spent the money and is now being asked to go find money to pay taxes on that because under section 80 of the Income Tax Act he is required to consider that as income. If this continues there is no way that he could even use the averaging provisions to get out of this, if we had a similar case in the future after block averaging is no longer available.

I have a similar case. A man was losing his farm. These things in my province take a couple of years of process because of the provincial laws that we have. We have had them in effect ever since 1944. He had actually gone out to work one winter to raise some money to keep his family alive. He had worked for eight or ten months and then the job played out because he was working in the far north and when it starts to melt they lay everybody off. He went on unemployment insurance because he had no money coming in from the farm. It was in process, the bank was in the process of taking it over.

When his tax year was finally finished and the disposal of the land had occurred, the department said that he had a taxable capital gain and his taxable income was considered to be above $44,000, even though his real cash income, cash in, cash out, the amount of money that he had to work with, was in fact $27,000. Since this occurred in 1988 he was able to average his income due to the phasing in period. It helped him avoid the minimum tax. However, he was forced to pay back $4,269 on the unemployment insurance benefits he had received.

There was a clawback because it was construed that even with averaging his income had exceeded $44,000, even though in reality his family had $27,000 before tax to spend simply because of the application of capital gains to the disposal of assets as banks and credit institutions move in and reclaim farm land.

I raise this along with the issue of five-year averaging, because we are entering a period when farm debt continues to be high, the prospect of farmers facing foreclosures is increased in the coming year. All projections point to that. If we lose the ability to use five-year averaging, the inequity that will be visited upon these people who are now finding themselves in 1992 and beyond facing farm foreclosures will be even greater than the inequity that I have just outlined here. The five year averaging did allow these people to mitigate their circumstances a little bit. I believe this provision should be continued, and I urge the hon. members to support my motion to have the government revisit the question with a view to continuing five year averaging after it would have been phased out at the end of this tax year.

• (1520)

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Madam Speaker, it is with pleasure that I rise to speak on Motion No. 81, presented by the member for Mackenzie. The motion is to consider the

advisability of reintroducing amendments to the Income Tax Act to allow some form of averaging.

One of the fundamental principles of our income tax system is that the tax burdens of Canadians should reflect their ability to pay. In other words, the proportion of the income paid in tax should increase with income. This is achieved mainly through a progressive tax rate structure with tax rates ranging from 17 to 29 per cent, as was alluded to by the hon. member.

Another fundamental principle is that ability to pay is measured on the basis of income earned or received in a year. Only in a very few cases, such as the lifetime capital gains exemption and the cumulative net investment loss rules, are income and personal circumstances of other years are taken into account.

When income of individuals fluctuates significantly from year to year, the total of the income taxes they pay over several years may be greater than if their income stream has been more constant over that period. This is because in those years when incomes were high, they are subject to higher marginal tax rates and thus pay a greater proportion of their income in tax. In such circumstances, averaging the income over a number of years would result in lower taxes each year, thus lowering the total tax burden over the period.

An understanding of the underlying objective of averaging measures is essential in considering the need for the reintroduction of explicit averaging measures such as those referred to by the hon. member for Mackenzie.

Equally crucial, however, is an understanding of the circumstances that may result in an individual's income fluctuating over a lifetime. Specifically, who is most subject to those fluctuations, in what circumstances and how does the tax system currently treat those individuals.

It is not my intention to review all of the circumstances in which Canadians may experience large year over year changes in their incomes. The hon. member has referred to farmers. Madam Speaker, you may be more familiar with the fluctuations in the incomes of artists or performers.

However, I believe that most would agree that retirement is the most frequent and significant cause of such a change. At retirement the vast majority of Canadians experience a reduction in their incomes.

I would like to take this opportunity to remind members of the existing tax assisted measures for retirement saving and the improvement to the system adopted by this House last summer as part of a major series of pension reforms that have been introduced in recent years. All are aimed at improving the income security for Canadians in retirement.

Tax assistance for retirement pensions is based on a simple principle. Within limits, amounts set aside for retirement should not be taxed when saved, but rather when received as pension income. Thus, tax assistance for pensions allows averaging of income between higher income years when an individual is working, is employed and low income year of retirement. The benefits of this averaging are compounded by the fact that the investment income earned on retirement savings is not taxed until income is paid out after retirement. The result is a significant reduction in the over–all tax burden to retired individuals.

These tax advantages are extremely important in providing income security for Canadians in retirement. They also represent costs to the federal and provincial governments.

For the federal government, these advantages to individuals amount to $5 or $6 billion a year and for the provinces, an additional $3 billion a year.

I noticed last year this House adopted changes which improved tax assistance for retirement. These changes had two key objectives; to increase the fairness of the system and to make it more flexible.

To increase fairness, the new system established uniform limits on the tax assistance for all Canadians. The benefits are now the same whether a pension saving is measured in terms of contributions or promised benefits and whether it takes place in one plan or more than one. Over a career the new limits will allow individuals to save, free of tax, amounts sufficient to provide annual retirement income amounting to 60 to 70 per cent of what they earned before retiring

In fact, these measures allow Canadians to average their incomes between active and retirement years to benefit from the associated reduction in tax.

To increase the flexibility of the system, last year's reform also introduced a new carry forward provision. As we know, it is not always possible to put aside a set proportion of earnings for retirement each year. Circumstances such as a temporary reduction in income, purchase of big ticket items or unforeseen expenditures may prevent individuals from saving as much as they would like through tax assisted retirement saving vehicles. Prior to these reforms, the unused contribution room was lost if that room was not used in a given year. However, the enactment of these changes to the Income Tax Act means that taxpayers are now able to carry forward unused deductions for up to seven years.

Many Canadians, especially those starting out in employment or facing fluctuations in earnings for any reason, will find the new carry over provisions of unused RRSP contribution room a great advantage. Similarly, the flexibility for those who lose or change jobs will help them maintain their pension savings.

The new higher contribution limit to the RRSP—$15,500 in 1995—will be of particular benefit to self-employed individuals. Farmers, for example, will be able to mitigate the tax consequences of year by year fluctuations in their incomes while at the same time saving for retirement.

In closing, I would like to stress that as a result of the changes adopted last year, the system of tax assistance for retirement saving is second to none in the world. It provides millions of Canadians with the opportunity to provide equally and adequately for themselves in their retirement. It also provides all Canadians, including those with large year over year fluctuations in incomes a vehicle through which they can average their incomes over their lifetime and benefit from the associated reduction in their tax burden.

I think it is clear, Madam Speaker, that the objective set out in Motion 81 is largely met by the current tax assistance system for retirement savings embodied in the Income Tax Act.

Mr. David Kilgour (Edmonton Southeast): Madam Speaker, I would like to salute the member for Mackenzie as well. At least, I think the member for Calgary Southeast was saluting the member for Mackenzie.

The sophistry, Madam Speaker, that we just heard from the member, and I say this with respect, having known the member for a long time, but I think I detected a speech that was being read, rather than being given spontaneously, but I was too polite on a Friday afternoon to get up and ask him to stop reading a speech that no doubt he prepared, rather than somebody in the Department of Finance.

I would like to pick up a thread that was made, I think, yesterday by a member. Right now the average farmer in Canada produces food for about 95 to 100 Canadians. At the same time, since most farmers are men, his spouse has to go off the farm to earn money to feed the family on the farm. That, Madam Speaker, is a catastrophe. I am sure it is the case in Quebec, but I know it is the case in parts of Alberta, throughout Saskatchewan and throughout Manitoba and throughout much of Ontario.

I think it is in that spirit that the member for Mackenzie has put the motion. We simply have to do something to help farm families who are not going to be here too many years if we do not do things like this proposal to help them.

You probably saw, Madam speaker, the Canadian Press report that came out earlier this week saying that family incomes from 1980 to 1988 have gone down in Canada, down after taxes from $40,200 to $40,000. I might point out too, Madam Speaker, that the share of after tax income going to the 10 per cent of families with the highest incomes rose to 22.4 per cent from 21 per cent in that period, while the share going to the lowest 10 per cent of Canadians also increased to 2.9 per cent from 2.5 per cent.

The 32, 33, or 34 tax increases we have had from those opposite have obviously had a significant effect on the plight of the Canadian family, including of course, farm families. The fact that people in parts of Canada are suffering enormously through the various policies of the government, including high interest rates, higher and higher taxes on middle and low income Canadians, is something I think should disturb everyone in this House.

• (1530)

Madam Speaker, I would refer you, if I could, to another matter that recently came up, which was a statement by Statistics Canada in June that 58 per cent of married Canadians have less disposable income after taxes than if they lived in a common law relationship. I

believe most members would agree that marriage should be encouraged by any prudent national government and not penalized as it is now in our country.

Tax reform, as we heard from the member for Broadview—Greenwood today should mean—and I think he means—moving some of the present burden away from those who cannot afford to pay more and more taxes, middle and low income Canadians, to those who can, successful firms and high income individuals.

As I said before, there have been 32 or 33 tax increases by this government since 1984. In closing I would simply say I hope that all members here—there are members here, Madam Speaker, in the House this afternoon—will see fit to vote for this motion when it comes for a vote, particularly because it will help the farmers in western Canada that the member for Mackenzie and I try to represent.

[*Translation*]

Mr. Marc Ferland (Portneuf): Madam Speaker, I welcome the opportunity to speak this afternoon to Motion No. 81 in the name of the hon. member for Mackenzie, which concerns the advisability of amending the Income Tax Act so that taxpayers will be able to average their income when it fluctuates over a certain number of years.

Before 1988, the Income Tax Act contained two provisions for averaging income over a number of years: forward averaging and block averaging. Both methods were based on complex calculations and allowed taxpayers whose income fluctuated substantially to average their income tax over a number of years.

More specifically, individuals whose income in a year exceeded 110 per cent of their average adjusted income of the preceding three years could chose to average the excess.

Averaged income was deductible in computing taxable income but gave rise to a special tax at the highest marginal rate of the year. In subsequent years, the averaged amount was brought back and taxed as regular income with a refundable credit provided at the top marginal rate. Furthermore, before 1988, individuals whose chief source of income was farming or fishing could average income from all sources over a five-year period. This provision involved a calculation whereby the taxpayer recalculated tax liability as if one-fifth of his or her total income over the period had been earned in each of the five years. An election to block average was made in the last year of the five-year period and reduced taxes payable in that year or resulted in a refund of taxes paid in the earlier years of the period.

As hon. members are aware, in 1988, the government proceeded with a reform of personal and corporate income tax. The purpose of personal income tax reform was to make Canada's tax system more equitable, strengthen our competitive position and stimulate growth and job creation.

The reform provided for lower tax rates and a broader tax base. The lower rates demanded by hon. members opposite stimulate employment and investment, which helps improve our standard of living.

A broader tax base, achieved by eliminating special tax benefits, makes our tax system less complex and more equitable, in addition to limiting opportunities for fiscal planning by mainly wealthy Canadians, something the hon. member for Mackenzie has always criticized.

So, starting in 1988, the old system with its 10 tax rates from 6 to 34 per cent was replaced by a three-rate structure: 17, 26 and 29 per cent. Another key element of this reform was the conversion of personal exemptions into often increased tax credits. Contrary to the exemptions, which tended to favour high-income earners—something the opposition always denounced—the credits are fairer in that they provide equal tax relief across the board. The third major change was the elimination or reduction of many tax benefits. For instance—and this affects businesses and business owners—tax deductions for business expenses such as meals and entertainment were considerably limited.

Because of the fewer tax rates and income brackets, the opportunity of the forward averaging provisions was called into question and eventually abolished as part of the tax reform. Income averaging has not been allowed since the 1988 tax year, while the averaging provisions relating to farm producers and fishermen do not apply to five-year periods starting after 1987. The averaged amounts deducted previously can be added to the year's income until 1997 and the taxpayer will remain eligible to

a federal tax credit at the current marginal tax rate at that time.

Let us now examine, Madam Speaker, why it is that the new tax rates and the fewer income brackets resulting from the tax reform make the averaging provisions less relevant. Before the reform, there was a 28 percentage point difference between the lowest tax rate (6 per cent) and the highest (34 per cent). It was huge. Thus, there were huge variations in the tax paid by taxpayers whose income fluctuated from one year to the next. With the reform, the difference between the minimum (17 per cent) and maximum (29 per cent) tax rates was reduced to 12 percentage points. So, fluctuations in revenue are less likely to noticeably affect the tax burden.

Combined to the conversion of exemptions into tax credits, the fewer rates enhanced the fairness and progressive character of the tax system.

Doing away with the averaging provisions also helped simplify the system as well as compensate for the reduction in the number of tax rates.

While there are no averaging provisions in the current system, strictly speaking, income and tax can easily be deferred under other provisions.

More particularly, tax assistance for retirement savings has enabled taxpayers to spread their income over the years in which they earned it and those following their retirement. Tax assistance is based on the principle that retirement savings are taxed when they are withdrawn and not when they are accumulated. This means that someone who has a very large income today can obtain the maximum, as my colleague just explained, and enjoy it later, at the same time paying much less tax on it.

Therefore, contributions to registered retirement savings plans (RRSPs), registered retirement plans and deferred profit sharing plans are not taxable when they are paid. Similary, investment income in these plans is not taxed as it is earned. Retirement savings are taxable only when benefits are paid by the plan. For the great majority of taxpayers whose retirement income, and thus marginal tax rate, is lower, tax-assisted retirement savings are a good way to spread income and defer tax.

As you know, Madam Speaker, the limits on tax assistance for retirement savings were recently changed. The new regime that takes effect this year corrects all the shortcomings of the old system and gives Canadians fairer access to tax-assisted retirement savings. Before the reform, taxpayers whose employment situation was different did not enjoy the same level of tax assistance. More particularly, those whose employer did not provide a pension plan could not benefit from tax assistance in setting up an adequate retirement fund. Those with relatively modest pension plans could contribute more to an RRSP than taxpayers with a very good pension plan.

• (1540)

I believe this was a satisfactory response to the demands of our friends opposite who during the past few years have constantly asked for a fairer and more equitable system that would take more from the rich and give more to the poor. The tax reform does just that.

Because of the current limits, the number of tax planning measures available has tended to increase. Before, some taxpayers did not have access to appropriate tax assistance while others benefited to an extent that in some cases was downright outrageous.

The key element of the new system is this: A maximum of 18 per cent of income is eligible for tax-assisted retirement saving, regardless of the type of plan.

Thanks to deferral of the unused portion of RRSP contributions, the new system will be more flexible and allow taxpayers to adapt retirement savings contributions to their current and future financial needs.

This will be of particular interest to taxpayers whose income fluctuates. The new limits will eliminate the barriers that prevent many individuals from taking advantage of tax-assisted retirement saving. They promote autonomy and encourage people to save now for tomorrow's retirement.

Madam Speaker, I believe that the durable benefits of tax reform and the attractive prospect of income deferral offered by the new tax-assisted retirement saving system will respond more effectively to the needs of Canadians than would a number of complex averaging measures.

As you know Madam Speaker, in the past governments have been criticized for the unfair aspects of the system. The richer you were, the less taxes you paid, and the poorer you were, the more you paid. This tax reform helps to avoid the incredible differences that existed in the past. In fact, I am surprised the NDP member for

Mackenzie should wish to reinstate a system that was abolished at their urgent request.

Thank you, Madam Speaker.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I want to salute the member for putting this motion forward on income averaging. I think, as you said earlier today Madam Speaker, this has been a good afternoon because we have been focusing on an issue which I think is priority one in this country. I salute the member who is bringing to the forefront an issue which is not only of concern to farmers.

In my riding, Broadview—Greenwood, which is downtown Toronto, there are many people in the motion picture industry, artists, and entertainers. This is an industry where it is either feast or famine, it can be a terrific year. It is the home of *Degrassi Junior High*, and we have many large film studios in the riding. This problem about income averaging is talked about all the time. We have many entertainers in our riding. Our riding is the home of Kim Mitchell, a Juno Award winner, who decided last year decided to do a lot of touring. He had exceptional success and a couple of good hits. Of course he had a balloon year in terms of his income, as Blue Rodeo, who are from my riding, did the year before.

This is an area where, not only farmers but also artists, really have to put a tight focus on income averaging. This goes back to the point that many of us in the House were making earlier, and that is fairness. Being an artist can be a tough, lonely grind. Quite often people go many years, thousands of hours, when they do not make anything. They work from hand to mouth, pay cheque to pay cheque. It is a very tough game. Then all of a sudden they have a successful year. It seems that the averaging concept is not really addressed.

I salute the hon. member for this. I hope that we can get this idea to a point where we can not only deal with it in a fair way but also in a simple and efficient way.

It has been a strange afternoon in terms of tax reform because things react so quickly in the country now with fax machines. As we were talking this afternoon about tax reform and fairness in the tax system, I received a fax from the Toronto Construction Association. It is pleading with all of us in this House, not only about averaging but also concerning the payroll deductions the minister has currently put forward in his latest budget and the fact that he is not allowing the provincial payroll tax to be deducted under the federal system.

The Toronto Construction Association, which is on its knees right now because of a lack of activity, is begging us in this House to plead with the minister and his officials in finance to review this situation. I will send over the letter from Mr. Roly Nicholls, the chairman of the board and vice-chairman of the Toronto Construction Association, and ask the minister to hear their plea concerning fairness for their sector.

It has been a constructive afternoon. I hope we can continue to put this hon. member's motion forward to the next stage.

Mr. Les Benjamin (Regina—Lumsden): Madam Speaker, I want to compliment my colleague from Mackenzie for trying to get reinstated, starting next year, something that has long been of benefit to many thousands of farmers, fishermen and entertainers since the early 1950s.

When I was a station agent in a little prairie town in the 1950s and early 1960s, I did income tax returns for many farmers. In one year they would have a gross income of $10,000 or $12,000 and that would happen one, two or three years in a row, mainly because of low quotas and no boxcars and that sort of thing, or the quality of the crop. Then in 1952 we had a bumper high grade crop and incomes jumped up to $30,000, $40,000 to $50,000. The fact that they could average saved them thousands of dollars in income tax. In some of those years when they got little or no crop, they had to pay little or no income tax.

As a result of the very nature of agriculture, the fishery and the entertainment industry, incomes fluctuate wildly, from year to year to year. There is nothing new about that.

I listened to the minister of grains and oilseeds yesterday when he was responding to the NDP opposition day motion, again moved by my colleague the hon.

member for Mackenzie, in which he wept as many or more tears as anybody else in the House about the plight of agriculture and what a tough time farmers were having. He railed against the European Community and the American subsidies. He said: "We have got to do everything we can do".

Most of what he said none of us could disagree with. We have to do everything we can to ease the burden, no matter how small or large, on the agricultural industry.

While he was making his speech the government's law does away with five-year averaging for farmers, fishermen and entertainers. It does away with it. That is some way to help agriculture. Is that what he means by doing all we can do to help agriculture?

I had understood the government was going to call for third reading today on the bill concerning the At and East freight rates. However, there is some fuss being made about that in New Brunswick. There is an election on in New Brunswick so it has been put off. It will not be called until next week at the soonest.

• (1550)

The At and East freight rates have meant an up to $40 million a year benefit for grain producers. It meant a benefit to Saint John and Halifax in milling wheat and flour. It was a benefit to Halifax in feed grains.

Is this the way the government is going to do all it can to help agriculture? By doing away with the At and East freight rates? It is a benefit to both grain producers and the ports of Saint John and Halifax.

The terminal at Saint John has already closed down. It has been closed for a year. Is that what the minister means by "doing all we can to help agriculture". I think it happened a year and a half or two years ago. We had what was called a two-price system in which we charged ourselves—Canadians charged Canadians—anywhere from $6 to $10 a bushel for grain consumed in Canada for human consumption.

That was the one area where the farmer got his cost production and some profit. That meant up to $200 million a year for grain producers. What did the Tories do? The minister of grains and oilseeds just sat and took it. The Minister of Finance and the Minister of Agriculture, who have been there and are prairie farmers, did not say a word.

There goes up to $200 million a year of benefit for western grain producers. Is that what the minister means by "doing all we can to help"? There is the bridge rate, the movement of grain by rail cars in the winter months from Thunder Bay east. That is no longer available.

Is that what the government means? Is that what the minister of grains and oilseeds means about doing all we can to help? I can recite a list of items as long as your arm that the government of this day has done over the last several years to hurt agriculture, and in particular the grain industry.

For example, freight rates. I remember the hon. member for Vegreville, the member for Kindersley—Lloydminster, and the then member for Swift Current—Maple Creek screaming just as loud as I did when the Liberals did away with the Crow rates. We fought that battle for three years against the Liberals.

The Tories take over and what do they do? They keep it. What has happened since the Tories came in? The freight charges for grain producers have gone up and up every year. Want to do something to help agriculture? Why not put a freeze on those freight rates? Why not say that there will be no increases until farmers are getting a price for their commodities that gives them the cost of production plus something to live on?

How about freezing those grain rates? How about keeping the At and East rates? How about restoring the two-price grain system? How about paying some of the storage costs in the terminal elevators in Vancouver, Thunder Bay, Prince Rupert and Churchill as the government used to do under the Temporary Wheat Reserves Act? How about it? This is not any big, multibillion dollar subsidy, because we cannot compete with the treasuries of the European community and the United States. We know that.

There are a host of smaller items that when together mean something to our agricultural community. I am particularly surprised and flabbergasted that rural members in the Conservative Party would accept this government measure and not demand a reinstatement of the five-year averaging provisions. I do not understand them. As one of my aboriginal friends said: "They speak with a forked tongue. They have a hot mouth and a cold heart". That speech yesterday by the Minister of State for Grains and Oilseeds was a classic example of the hot mouth and cold heart of the government. There is

absolutely no reason why it cannot allow averaging. It is not as though it is going to mean an horrendous loss in tax revenue for the federal treasury; the amount it will cost will be infinitesimal compared to the current deficit alone.

My hon. colleague for Papineau and I believe the previous government speaker got into retirement plans and the benefits there are to this. I suggest to those gentlemen that they go into their ridings and see if they can find a farmer who has any money to put into a retirement plan. I don't have any in my riding. They took a 30 per cent cut in their grain prices this year. You won't let them average and you are telling them they have all these benefits of putting money into retirement savings, up to 18 per cent of their income. Hell's bells, 18 per cent of their income is all of the net income they have to pay for their operations.

Madam Speaker, we can do no less than what the Minister of State for Grains and Oilseeds said we should do; that is, all we can. Well, this is one of the smaller items that will contribute to doing all we can for grain producers and fishermen, by restoring the averaging provisions.

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Madam Speaker, I am delighted to have just a few moments to discuss this topic today, introduced by the hon. member for Mackenzie. Indeed, this member seems to have dominated the House, because all day yesterday we debated a motion on farm income that he had introduced.

Madam Speaker, today we have a person with cultural background in the Chair in yourself, and the speaker from Broadview—Greenwood was mentioning the cultural aspects. Indeed in my great riding I have the Stratford Shakespearian Festival. Culture and agriculture seem to go together today, as they always do in my riding.

In this motion that the member for Mackenzie has brought forward he is asking the government to consider the advisability of introducing amendments to the Income Tax Act so that taxpayers whose incomes fluctuate from one year to the next would be able to average their income over five years.

Well, it is a good motion and I can see the rationale for it. But it is similar to the five-year block averaging for farmers and fishermen that was introduced in the Income Tax Act in 1946 and eliminated in 1988 as part of tax reform. Those provisions allowed individuals whose chief source of income was farming or fishing to average income over five year blocks. When income fluctuated significantly from year to year, block averaging reduced the total tax payable over the five-year period. This was particularly applicable to farmers whose income does vary a great deal because of drought, disease, or price fluctuations.

I must say that after the debate yesterday, and in fact after the many discussions we have had across Canada, that the member for Mackenzie, when thinking about averaging income for farmers must be thinking of better times. Because just lately it seems incomes have dropped rather than going up or ever going very high. So perhaps the member's concern is for farmers in the future.

Because I am only going to have a minute and I cannot really talk about the motion too much, I do want to set the record straight on some of the things the member from Regina said. He stood in this House just minutes ago and said how this government had taken away $40 million in benefits from the farmers through the At and East Program, a bill that is still to come before the House.

Well, Madam Speaker, there was a benefit for farmers in the At and East. It was about $8 million as I recall. The other $32 million was filtered off to transportation agencies and other people and not for the farmers—hardly an efficient way to spend government money to help farmers.

He talked as well about the two-price system and how we took $200 million out of the hands of the farmers. We studied that issue, I think, about five years ago. This two-price system, by the way, was first brought in to hurt the farmers because they were getting too much for their wheat and they wanted to have local wheat sold at lower prices. So, over the years it was off and on hurting or helping the farmers. At the end, of course, it was helping farmers but was, in turn, hurting the processing industry who had to compete with pasta made from our wheat shipped back into Canada. So it was helping the farmers, but hurting another sector of the Canadian industry that really should not be allowed to be hurt.

Perhaps I could go back to discussing the motion for that minute I have left. I must say that block averaging was used only by 4 per cent of the farmers and fishermen. Hardly crippling, Madam Speaker, which was the way the member for Mackenzie introduced it. I assume it was used by the bigger and better farmers, farmers who would use all of the things associated with registered plans.

I am sure I have now expended my time so thank you for that little bit of time.

[*Translation*]

Madam Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, this item is dropped to the bottom of the order of precedence.

It being four o'clock, the House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 24(1).

The House adjourned at 4 p.m.

HOUSE OF COMMONS

Monday, September 23, 1991

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

PUBLIC SERVICE

PAY EQUITY

Mr. Ron MacDonald (Dartmouth) moved:

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

He said: Mr. Speaker, it is with a great deal of pride that I rise once again to speak in this House about the issue of regional rates of pay. Some people might remember, I think it was June last year, when I had the pleasure of rising in this place to address a similar motion concerning this foreign practice.

I looked at *Hansard* from June of last year, when this motion was up in the last session for debate. I noticed that there was a consistency in the approach by members opposite on the government side and that they did not want to speak to the issue of regional rates of pay. They wanted to play semantics dealing with whether or not this was a pay equity issue. They spent a considerable period of time missing the issue.

Before we start today I would like to say, right off the bat, what I believe this is all about. The lack of national rates of pay in some categories within the federal Public Service means that we do not truly have pay equity. What pay equity means is equal pay for work of equal value.

It is the stated belief of the government, and governments across this country, that people should be paid for the effort and skill they put into their work, not based on the colour of their skin, their gender, and certainly not on their language. It appears that there is an anomaly in this one situation because this government continues to support a system of regional rates of pay.

Quite simply what that means is that a pipefitter in Dartmouth, Nova Scotia gets paid considerably less working for the Government of Canada doing a contract job as described by the government than an individual in any of a number of regions as defined by the government. In particular, they get paid about $6 an hour less in some circumstances than those people doing the same job, with the same skills, for the same government in other places, particularly on the west coast.

We have to look at the history of this. The government is going to get up and tell us that regional rates of pay have been there for a long period of time. At one time there were 30 or 40 different regional rates. That is what they are going to tell us.

Then they will come back and say that they are working toward that and there are only 10 or 12 regions left whereby by legislation we discriminate against individuals.

I want to make something very clear. Wage discrimination that is based on where a person lives is no less abhorrent than wage discrimination based on gender, language, or skin colour. There is no difference. Maybe what we have to do down on the east coast—and I say it tongue-in-cheek; perhaps the government is simply not moved by the argument—is speak some type of pig Latin or perhaps adopt Gaelic as our language in places like Nova Scotia. Then we could go to the Human Rights Commission and get an order that says to this government that it cannot discriminate against this particular group of workers. It cannot pay workers less on the east coast than it does in other parts of the country.

In the dark old days it was acceptable to do that, but the country has changed. Tomorrow proposals will be tabled in this House in an effort to try to keep this country together. What we always hear in proposals that come forward to rebuild a country is that we must, through our Constitution and through our legislation, inject equity and fairness to all Canadians. It is interesting to note that when this motion was debated by me the last time, we were in the midst of the road running between the Chateau Laurier and the Congress Centre. It was a year ago June, when Meech Lake was just about

to hit the rocks. I noted then with some irony that the first ministers of this country were down the road talking about drafting a document to instil fairness and equality, but their members were standing up in this House and saying no to pay equity in regional rates of pay.

• (1110)

I want to list a couple of groups, and I will do this rather quickly because I have a lot to say on this issue. There are a number of groups that are paid, not according to the job they do or the quality of their skills but by where they work. They are all employed by the federal government. Scientific and professional category, education, seven different regional rates; nursing, eight different regional rates; occupational physical therapy, seven different regional rates. The list goes on. Occupational categories, I am going to spend most of my time dealing with this. General labour and trade—ten different zones.

It means that a pipefitter or a sheet metal worker can get any one of ten different rates of pay. I can guarantee that in almost every single case a pipefitter in Atlantic Canada is going to get the lowest rate of pay. That is what regional rates of pay have done to us.

Way down at the bottom is ship repair. There are only two rates, east and west. The Halifax—Dartmouth shipyards, the government shipyards, are the ones that the Prime Minister during the Persian Gulf situation got up and applauded in this House for the incredible effort that they put into refitting the vessels that we were sending over into a theatre of war. He said what marvellous men and women they were and they rose to the call of duty. It doesn't sound like the type of individuals to me that are so bloody greedy that they are absolutely intent on screwing the government out of a few dollars in the interests of fairness and equity. But yet those same dockyard workers down in Halifax—Dartmouth, over 1,200 of them, are currently without pay equity.

I want to refer to a paper here. I met with the unions and I talked to them and said: "Look, you know regional rates of pay are going to go by way of the dinosaur, but we have got to push on it". But I look here and see on a wage scale chart that the same workers, federal government dockyard workers on the west coast, in May 1990 were paid an average 14 per cent higher than those on the east coast. By January 1991—and keep in mind, Mr. Speaker, that the government says it is trying to collapse these regional rates—the discrepancy rose to 19 per cent. In October 1992 it will be up to 28.35 per cent difference, and yet the government gets up and talks about its absolute commitment to pay equity. Absolute hogwash, Mr. Speaker.

A couple of interesting things have happened. Back in the fall of 1989 we had a situation arise where the ships' crews, normally designated as essential employees so that they cannot go out on strike, were without a contract for a significant period of time. These men and women who worked on ships' crews on the east and west coast, mostly on the east coast, made a decision that enough was enough. They were no longer going to sit back and be loyal little lap dogs to the government and accept significantly lower salaries for a dangerous job that they did on behalf of the Canadian government and the Canadian public.

They went out on strike. It was not because they were looking for massive increases. The government opposite had painted these employees as greedy. Do you know how much they got paid, Mr. Speaker? The average pay for a ship's crew employee on the east coast of Canada was between $19,000 and $22,000 a year. Boy, they had cushy jobs, too, you know: all they had to do was risk their lives for the people of Canada! They were on Coast Guard vessels and when there was a storm and there was a ship in trouble, they went out on the high seas and risked their lives for $19,000 or $21,000 a year. But this government, as callous as it is, was then and continues to be, absolutely refused the one small request to pay the people on the east coast who risked their lives for this country and this government the same as the people on the west coast.

They forced them out on strike and we saw this awful legislation introduced in the House, strike breaking legislation, to force them back to work. The Liberals and the New Democrats opposite held that legislation up, and we forced the government every step of the way to invoke closure every step of the way.

When it was all over and done with, my colleague here from Ottawa, who is a Public Service critic, filibustered in this House to ensure that the rights of those workers, the ships' crews and other public servants were not going to be trampled on easily in this place.

So what happened? They went to arbitration. The government refused to close a wage rate between the east and west coasts, perhaps causing a problem with public safety. At least it claimed it at the time, although we objected and said that was not the case.

What happened when it went to arbitration? I want the members opposite to listen. The government refuses to negotiate in good faith when it is dealing with regional rates of pay or with any public servant, as we saw with the recent PSAC strike.

The binding arbitration report, after this government legislated those $19,000 to $21,000 a year employees back to work, said clearly that effective the date of the signing of this collective agreement the following would happen: (a) it would bring east coast rates of pay to parity with the west coast rates of pay.

It is clear. A three-party arbitration panel with a member of the government could not even justify the further discriminatory practice of allowing regional rates of pay. It was an unnecessary strike it forced those workers out on, because it really does not care.

There is another thing that is interesting if you look at the guidelines, and I want to read this one: "Federal Public Service compensation policy—guiding principles". These are pretty interesting. It says that the employer's approach to compensation determination for federal public servants shall follow some guidelines: (a) that public sector compensation be fair to employees and to the tax paying public. We hear them twist that one around all the time and say that the poorest of the poor are not worthy of a decent liveable wage—we heard that last week when we had the strike—and (b) that public sector compensation be related in a reasonable and acceptable way to the private sector, with compensation not exceeding that paid for similar services by the private sector.

I want to highlight that because when this motion was put last June all we heard from the members opposite reading by line from a speech prepared by Treasury Board was that they cannot do away with regional rates of pay because if they did, the private sector in those areas would collapse as the rates of pay would be too high.

One cannot have it both ways. I want to go back to the ships' crews strike. It is pretty interesting. The government refused to admit that the binding arbitration was found to be factual. In dealing with the ships' crews strike it says when the government refused to pay them a living wage: "We are also satisfied in the peculiar circumstances of this case that there is legitimacy to the alliance claim that a significant and glaring disparity has developed over the past several rounds of negotiations with respect to the compensation paid to government ships' crews as compared to ships' crews in the private sector".

It goes further somewhere else in the decision to say that if allowed to go unchecked it would reach 38 per cent disparity. The government wants to claim that it cannot touch these regional rates because somehow it is going to have a massive negative impact on the private sector. Hogwash. Nonsense. This government continues to perpetuate a policy that should have died in the dark ages of wage discrimination based on where an individual lives.

Back over to the dock workers, 1,230 or 1,240 souls, the same people who fitted up in record time the Canadian navy in its valiant effort with the UN in the Persian Gulf. Those individuals are now negotiating a contract again. The charge hands who were sort of the supervisory personnel went straight to binding arbitration. I do not have a copy of the report with me, but my understanding is that that binding arbitration when it came down a week ago Friday clearly and up front said that the regional rate of pay had to be collapsed and that a national rate of pay had to be instituted.

It is not just me standing here telling this House of Commons that this motion should be acceptable and that the government should look at it. The government's own process of arbitration in dealing with many of these groups that are affected, particularly on the Atlantic Coast, in a very negative way by the discriminatory practice of regional rates of pay, of paying somebody less for a job based on where they live, has gone the way of the dodo bird.

• (1120)

It has got to go. Maybe the message, if the government did not have before us some Draconian legislation, could basically destroy the collective bargaining process. All of those groups affected by regional rates of pay should simply say: "We want binding arbitration".

The record since a year is clear. In each and every case where regional rates of pay were an issue and went to binding arbitration, the panel said: "Enough of this. We have to close that wage gap". That is exactly what we have to do.

There are a couple of other issues here that have to be addressed. One is whether this government is truly concerned about fairness and equity. I did not have a chance in the short debate that we had on the awful back-to-work legislation this government put forward to challenge or question the government's credibility when it talks about its wish to have pay equity.

It wants to look at pay equity as a gender problem within the federal Public Service. It talks about how it wants to get rid of discriminatory practices and what wonderful people it thinks our public servants are.

I will read a couple of quotes by our own Prime Minister. I think they clearly indicated the disdain and the disgust with which this government treats public servants, most of all those public servants who do a damn good job for this country for very little remuneration and very little credit from the current government.

As reported in *The Ottawa Citizen*, April 9, 1983: "Any bureaucrat who did try to oppose him (Mulroney) would be greeted with the words '*Voila ton* pink slip'".

Another interesting quote from our Prime Minister, the head of our government which espouses that it truly believes in and is in pursuit of wage parity, "pay equity", is from CBOT, *Newsday*, May 26, 1983. Talking about the Public Service, he said: "They have never worked a day in their lives. They have never done a day's work". That sort of says it all.

This government under the leadership of this Prime Minister is absolutely intent. It always has to have an enemy, and the enemy that it has chosen in the last number of years is the federal Public Service.

An hon. member: One of many.

Mr. MacDonald (Dartmouth): One of many.

In conclusion, I would urge the government, if it does not want to listen to me, to look at its arbitration reports. Will the government for once do the right thing and agree that in 1991 there is no place in a modern democracy for a system of pay by the federal government, the people who legislate laws in this country and pass laws and codes of behaviour by statute, which is abhorrent and discriminatory, a rate of pay which does not pay individuals for the work they put into products but rather pays them according to where they live in this country.

I would hope, now that it is the second time around on this particular motion, that the government would look at the record and see fit to announce forthwith through President of the Treasury Board, in spite of the regressive freeze legislation that it has on, that regional rates of pay are going to be exempt from that and that the gap will be closed.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, this issue as the member has said is on its second trip around the racetrack. It was featured during the 1988 election, particularly in Halifax.

It has been the policy of various governments since 1967 and continues to be the policy of the government today to reflect local rates of pay for Public Service employees in occupations where outside data indicate significant variations from the national average.

In other words, we tend to reflect the regional rates in the wages that we pay for the various jobs. It is not just ships' crews and repair crews and so forth. It covers a whole range of public servants in various regions of the country. We cannot say that it just covers two groups, because that would be another case to be made.

My remarks are somewhat constrained, but I do note that a small group of employees in the Saskatoon area is challenging the regional rate policy of the government under section 15 of the Charter of Rights and Freedoms. Since the court proceedings have commenced on this issue, it would not appropriate to get into anything more than generalities and general comments on this issue.

In his comments the member mentioned and equated regional rates with equal pay for work of equal value. He knows full well that the government has passed legislation pertaining to equal pay for work of equal value. He

knows also that there have been considerable payments and adjustments made as the result of that legislation.

I am just looking for the bill here. I think it was June 1986 that the bill was passed. The member should recall the comments of the President of the Treasury Board of the day in January 1990 regarding equal pay for work of equal value. He announced that the first phase of lump sum payments would be $317 million and it would be made as quickly as possible. This is a gender difference in wage rates, where men and women are doing essentially the same work. The feeling is and the government policy is that they should be paid the same rate.

In the announcement that the President of the Treasury Board made on January 26, 1990 he said that the rates would be retroactive to March 1, 1985. The retroactive payment will average something like $4,800 per employee affected. The affected employees work in all parts of Canada and therefore it is not reasonable in that sense.

The second phase involves $76 million in annual salary adjustments effective April 1, 1990. The amount of wage adjustments and retroactive payments will vary depending on the pay disparity identified for any particular occupational group and the amount of time an employee has been in a particular position or positions.

We have moved substantially on pay equity. My secretary was telling me the other day about a young lady who worked on the Hill, then left the Hill to work in another government department and has now returned to the Hill. To her surprise she received a cheque in the amount of something like $3,700. When she inquired as to what it was for, she was told that it was pay equity. It is going on and it is working.

This matter of regional rates is a difficult one. Living conditions vary from one part of the country to another. I do not suppose there is a trade category that could be imagined, whether it is auto mechanics, plumbing or any craft or trade in which the rates are uniform across the country. They are not uniform across the country. They are not uniform in the private sector across the country.

The concern, not only of this government but of previous governments, has always been: Are we going to distort the local situation? Are we going to cause a distortion in the private sector if we pay a rate in Halifax that is paid in Vancouver?

The other thing the member is missing in his comments are the fringe benefits. There is no regional disparity in fringe benefits whatever, and he knows that. He should reflect on that as well. There are substantial fringe benefits and they are all subject to negotiations. I do not suppose there has been a negotiation between the Public Service unions and the government in the last many years that has not had this issue of regional rates as part of the discussion. I have no doubt in my mind that the discussions going on this very day, probably this very hour, between the President of the Treasury Board and Daryl Bean and the PSAC negotiators have the regional rates on the table and are being discussed.

• (1130)

Since we have been in government, since 1984, we have followed the practice established in 1967. That is not to justify it in any way, but that is the practice and that is what it has always been. I believe the concern is that in an area where there may not be absolute boom conditions and tradesmen are not paid substantially higher wages than Public Service employees, if we moved to raise those rates beyond the local rate that is being paid, we would cause some very serious economic conditions within that area.

The other point that the member has not talked about is skills. These rates are based on base rates, but there are skills rates beyond that which he has not dealt with. Many of those persons, by updating their skills, could have an increase in their wages.

First of all, I reject the comparison of pay of equal value to regional rates. I just do not think it is a valid comparison.

As I said, the matter is before the court in Saskatoon and we will have to see where that plays out but, at the present time, that is where the policy of the government lies and we will reflect local rates in our regional rate efforts.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I rise today in support of the motion put to the House by the member for Dartmouth.

Primarily what this motion does is try to bring together the outlying areas of our country to the central part of our country. We are trying to bring people together.

What I hear from the government side is that we are going to cause an imbalance by agreeing to this motion. We are going to cause an imbalance in the area that we are servicing. The private sector will not be able to afford to keep up with the rates of pay.

The member from the government side just indicated that the government has already introduced pay equity for gender reasons and it has sent cheques out to various regions. I did not hear him saying that it has caused problems in the private sector. It brought them together.

When we look at the trades and we talk about skills, if I were a tradesman on either coast or anywhere in this country, I would take personal offence at the comment that was made by the member opposite when he said that skills enter the picture. I was a plumber before I became a politician and I am as much a plumber on the west coast as I am on the east coast as I am in Ontario. My skills do not vary. Why is there a difference in the rates of pay for shipbuilders, for pipefitters, for electricians and for other trades? A buck is a buck and a pipefitter is a pipefitter.

Quite frankly, Mr. Speaker, I think what this government is trying to do is to create, with these regional rates, dissension within the ranks and keep them arguing between each other so that they can pit one against the other and have them say: "I am better than you are because I am getting paid more." I think we all have something to offer. I think we are entitled to equal pay for work of equal value. To tell someone that their work is not as valuable as someone else's is a severe slap in the fact to that individual.

We cannot continue to have these regional rates of pay because we are classifying when we do that. No one in this House or in this country is any better than anyone else and is no worse than anyone else.

I would like all members in this House to ask themselves this question. Would they consider taking less pay as members of Parliament because they come from different regions of this country? I think the answer is quite clear. We all figure we are doing as good a job as the other person and we want to get the same amount of money as that person. That is no more or no less than any other government employee is asking for.

I think my comments are relatively brief but to the point. I think that we need to have a national rate of pay for all our government employees. They contribute as much as anyone else in this country and they do not deserve to be treated any less or any differently than anyone else. I certainly hope that the Conservative members will come to their senses and support this very important and very needed motion.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I rise to support this motion by the hon. member for Dartmouth. The hon. member for Dartmouth has been pushing this issue ever since he became a member of Parliament.

Coming from Newfoundland, I appreciate having a fellow member pushing the issue as hard as he has pushed it. I have watched him in caucus as well make the same points over and over and over again. I think that the message is getting through.

If you are a machine operator with the same employer, working in Saskatchewan, you can go up to $15 an hour. But if you are working in British Columbia, excluding metropolitan Vancouver and metropolitan Victoria, you can go up to $18.84 an hour, a difference of almost $4 an hour. If you are an electrician, you can go to the top of your scale to $16.31 if you work in Newfoundland, Nova Scotia, New Brunswick or Prince Edward Island, $16.31, but if you were in metropolitan Vancouver, metropolitan Victoria, you could go up to $20.71 an hour. That is a difference of $4 an hour.

Some occupations have a difference of $5 an hour. Some of them are $6 an hour, doing the same job with the same employer. It depends on where you are working. These are all tradesmen, receiving $3 or $4 an hour difference, depending on where they are working.

The federal government, as the member for Dartmouth knows, keeps coming back as the representative of the government said a few moments ago, and saying: "We want to keep it down to the going rates in the area so that it will not be an unfair competition with the private sector in that area". That argument fails and it fails badly because of a couple of points. Number one, the federal government turns around in some of those same areas where the wages are being paid are low because of the going rates, says the government, and gives them environmental allowances on top of the wage or gives them isolation pay on top of the wage. There is no logic behind where the dividing line is, Mr. Speaker. I cite you an example. A few moments ago the hon. member representing the New Democratic Party said that he was a plumber before becoming a member of Parliament. If he were a plumber in British Columbia working for the federal government, excluding metropol-

itan Vancouver he would start at $17.11 an hour. But, if he were working in metropolitan Vancouver, he would be making $17.69 an hour. In other words, if he were working in metropolitan Vancouver he would make more than if he were working in B.C. outside metropolitan Vancouver as a plumber. If he was a pipefitter he would make $12.09 an hour if he was in British Columbia excluding metropolitan Vancouver, he would make less than that, $11.92, if he were in metropolitan Vancouver.

• (1140)

An hon. member: It makes no sense.

Mr. Baker: Here we go. We have a plumber who is paid more if he is in metropolitan Vancouver than if he is outside and we have pipefitter who is paid less if he is in metropolitan Vancouver than if he is outside. It is utter nonsense. It is complete and total nonsense. It is a violation of the human rights of an individual.

Some reference has been made here to the fact that the Human Rights Commission has always turned around on the basis of what is in the Human Rights Act. They cite section 11 of the act, and I don't have to cite section 11 for the hon. member for Dartmouth or for any other member. They know that it says that an employer cannot pay different wages to a male and female if they are working in the same establishment and doing the same work or work of equal value. They say that is not a violation of the Human Rights Act.

I suppose we could say that they are not working in the same establishment. They are working for the same employer and there is a dividing line. It is not only by province, but if one works inside or outside a metropolitan area. However, certainly, the principle of fairness is absent in regional rates of pay.

Can you imagine, Mr. Speaker, a group of federal employees who are sent to a location on a big job, and you have one from this area and another from that area and they are all carpenters, say, and every single one of them is making different wages because they have been sent in from their home territory where they normally work to do a job? Can you imagine how people feel who are mobile in the Public Service, as we had the case a couple of years ago of the crews where they would all meet in Cambridge Bay up in the Northwest Passage? They would tie their boats up, and one fellow was making $3 an hour more than another fellow. The ship repair crews—the hon. member for Dartmouth has 300 or 400 or 500 I suppose in his riding— have different rates depending on where they are from. It just so happens that the hon. member is representing the lower end of the scale. These people are doing the same work, the same job as everybody else is doing.

This has led to a demoralization of the Public Service. The Canadian public expects service from the Public Service; they expect service from them. Here are public servants working in Gander, Newfoundland or in Grand Falls, Newfoundland or Dartmouth, Nova Scotia, and they are doing the same job as somebody living in another province and they are being paid less. They are being paid $7,000 a year less than somebody in the same classification, but they are working in a different area of Canada. It is demoralization of the Public Service.

The Government of Canada is always trying to do things to increase productivity. It paid out big productivity bonuses recently to the fat cats, the big guys making all the money. It paid them these big bonuses, payoffs for layoffs, to get rid of people.

You are always looking over your shoulder wondering who is making judgment on you today. Here you are sitting down doing a job somebody else is doing, same classification, same work, and receiving $4 an hour less because of where you live in this country, with the same employer. Then you have a manager looking down your shoulder and you know that if that manager manages to get rid of you he gets a bonus a Christmastime.

The Government of Canada should not just pay attention to what is in the Canadian Human Rights Act. No act of Parliament is without its mistakes, and there were mistakes made when this legislation was passed. Surely by strict common sense no member of Parliament would like to be paid on the basis of regional rates of pay. Mr. Speaker, on a scale of 12, your province is about number three from the bottom.

Just imagine if members of Parliament were paid on the basis of regional rates of pay. It would not be a very attractive business for somebody from eastern Canada, I can assure you of that.

Mr. Howard Crosby (Halifax West): Mr. Speaker, the member for Dartmouth, in bringing this matter to the attention of the House of Commons, namely the subject of pay equality across the nation, joins the ranks and choruses of a number of members who have raised this point in the past including myself.

I want to begin by telling all members that I have canvassed this subject from *a* to *z* and all aspects of it. So I make the comments I make today on the basis of that study over a period of time.

First of all let me make it clear there is a principle involved which the Canadian Public Service has accepted for decades. That is that public service compensation must be fair to both the employer and the employee and to the taxpayer.

The second aspect of that principle is that public sector compensation should be related in a reasonable and acceptable way to the private sector. We have to keep that as the guiding light. We cannot simply abandon those principles to appease workers in a particular area because, as I have pointed out on occasions in the past, it can have a detrimental effect. The member for Gander—Grand Falls never mentioned this aspect. On whether he knows about it or not I will not comment, but I will take two minutes to explain to the member what happens.

First of all, if you grant rates of pay that are out of context with the private sector in the regional area, you definitely create two kinds of havoc. First you will raise compensation for trades people beyond reasonable levels applicable to that region. You will have every plumber, every electrician, seeking employment in the public sector and leaving jobs in the private sector. The only way the employers in the private sector can compensate is by providing higher wages which increases the prices to consumers, that is the people of Canada, the taxpayers of Canada. They will pay more for services in their region because the Government of Canada has artificially increased compensation in trades and occupations in that area. That is number one detrimental effect that I hope the member for Dartmouth recognizes and realizes, because the member for Gander—Grand Falls apparently does not.

The second point is this: everybody agreed—and I am sure every member of the Liberal Party including their leader, House leader, and officials would agree—that the taxpayer of Canada is entitled to the best deal possible in terms of economies for government services. You have to face the fact that if the government can provide a service at less cost to the taxpayer in a certain way, then the government has some obligation to adopt that way of providing that service.

What does that mean in terms of compensation? That means very simply that if you pay higher rates than are justified in a region, the government will be paying more for the services it is acquiring.

• (1150)

If you pay painters at CFB Halifax more money than painters normally receive in the Halifax—Dartmouth area, you will raise the cost of painting in public buildings, or at least the buildings at CFB Halifax. What is the result of that? Painters in private industry will come to the government and ask: "Why are you paying so much extra to paint buildings in the Halifax—Dartmouth area when we can do it cheaper?" It does not make any difference what parliamentarians say. It does not make any difference what the member from Dartmouth says, because people in the private sector will come to government and say: "Why are you paying $1,000 or $10,000 or $100,000 extra for painting services in the Halifax—Dartmouth area when we can do it for less? We will employ people. We will cause industrial expansion and create local economic benefits and you do not have the right as the government to stop that".

When the member for Dartmouth stands up to defend what he calls pay equality, which means substantial increases in pay for people in his constituency and people in my constituency, I want him to say at the same time and at the same place: "You realize that in doing this we will be paying more taxpayers' money out than we need to pay and it will have a detrimental effect on the private sector". There will be painters, for example, in the private sector unemployed. There will be painting contractors without work because we have taken it upon ourselves to artificially raise levels of pay and to cause that havoc to occur. He has to take both sides of the coin.

If I had my choice, I would simply sign an equality of pay order for the whole Public Service and let the chips fall where they may. Why would I do that? Because that is the easiest way out for me. That would make life easier for me. Just give it away. Give the employees what they want. Make them happy. They would be patting me on the back. They would be inviting me to their union meetings. They would be sending me Christmas cards. It would be wonderful.

However that is not my obligation as a representative of the public. My obligation as an elected member of Parliament is to do the right thing, to weigh all the factors and make a decision on the basis of all of those factors.

I have pressed time and time again in this House and in all channels and corridors of government for equal pay with persons on the west coast, and every time I have had my foot caught in a trap. When I stood in this House and other places and asked for equal pay with ships' crews in British Columbia, did they say: "yes, that is fine, thank you very much", when they got equal pay? No.

You can get equal pay simply by equalizing everybody's pay. You can reduce wages on the west coast compared to wages on the east coast and create equality. Does anybody want that? Has any union member ever come forward and said: "Look, we will use the same amount of money but we will equally divide it among us"? No, no, no, that is not the kind of equal pay. They are simply talking about an increase in pay. I understand that. I would like to have an increase in pay. I know they would like to have an increase in pay. Everybody would like to have an increase in pay, but we have to look at the political realities, at the economic realities.

When we raised the pay to equal levels for the ships' crews as the member for Dartmouth well knows—and I think I had a great part in that action—what happened? We simply gave Daryl Bean and the Public Service Alliance of Canada an opportunity to say that everybody should get that increase. The man who said he wanted equality of pay for ships' crews then turned around and said that everybody should get a similar increase right across the Public Service.

That was my sojourn into the area of collective bargaining. I am content to leave it now to Treasury Board officials because after that they reminded me: "See what you did. All you did was discolour the waters of collective bargaining, of bargaining back and forth, by insisting on wage equality".

If the member for Dartmouth or the member for Gander—Grand Falls wants to step in there and disturb these relations, deal with them politically, not economically, not sensibly, then let it be on his shoulders. Let him ask for increases that are going to cause all kinds of turmoil. Does he think that painters at the dockyard are going to be happy with the increase they get if they reach equality without any effect on painters in other areas of the government, in other areas such as the hospitals which hire hundreds of painters and the private sector? No, it will simply cause a wage escalation.

While we would like to see equality, while we want to see fairness, we can only achieve that through sensible bargaining. The members at CFB Halifax in the ship repair unit know that, because I told them that. I told them that time and time again: "I will do what I can for you. I will advocate your cause, but we are up against a system that was brought into force many years ago by the Liberal government". It is okay for those Liberals on that side and the NDP to say they want pay equality. They not only denied pay equality in the Liberal term of office, but they refused to move toward equality. All I have ever asked them to do, and I told this to the representatives of the dockyard workers union, the ship repair unit, Jim Henneberry and his colleagues, that I would simply ask the government to move towards pay equality, to approach it and to keep it in mind as a goal or an objective to win.

Of course, we fought this all out in the 1988 election. We had parades and demonstrations. I never varied from my position. I told the dockyard workers exactly what my position was and I am telling them again today, for the umpteenth time, that I believe we want to work towards equality but we cannot reach it all in one jump. By the way, they accepted that position on December 6, 1988, when they accepted the pay increase. After rejecting it, they accepted the pay increase.

Jim Henneberry and his colleagues at the dockyard and labour leaders throughout the Public Service realize what is at stake here. They realize what principles are involved. If they can get yet another politician to come forward and say: "We want it now", I do not blame them for doing that. I think in their hearts they know it is something that has to be achieved through a gradual, evolutionary process.

I would like the member from Dartmouth to say: Work with me to try to move the dockyard workers and other public servants on the east coast towards equality. We are not going to get it in one jump.

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, it is a pleasure for me to support the motion put forward by my hon. friend from Dartmouth.

The issue before the House is fairness. During the recent Public Service strike, one of the key union demands was the elimination of regional rates of pay. This is a system that discriminates against people on the basis of where they live.

Something has to be made perfectly clear. The elimination of regional rates of pay is not about equal pay for work of equal value. It is about paying people the same wage for doing exactly the same job for the same boss regardless of where they live. The federal government pays people a different salary depending on whether they live in Montague in my riding or Toronto or a community like Terrace, British Columbia.

The people who suffer the most from this unfair system are the people of Atlantic Canada and of course, the people of my riding of Cardigan, Prince Edward Island. Of the 17 job classes in the general labour and trade section of the federal Public Service, seven groups have their lowest rates of pay in Atlantic Canada.

We are not talking about paying somebody a few cents an hour more because the cost of living is much higher in Toronto. We are talking about paying an electrician in Souris, Prince Edward Island 20 per cent less than an electrician in Revelstoke, British Columbia, who is doing exactly the same job for the same boss but is being paid over $3 an hour less for doing the same job.

People in my riding would like to know where the fairness is in this system. I want to assure members that I have nothing against the people of British Columbia. The people of British Columbia are as honest and hard working as the people of Prince Edward Island.

The electrician in Prince Edward Island works just as hard as his counterpart in British Columbia, yet this government insists on paying the electrician from Souris, Prince Edward Island, 20 per cent less. This problem not only deals with electricians, but it deals with boilermakers, tool and die operators, farm hands, plumbers, mechanics, carpenters and others, all who suffer from this discriminatory policy of the federal government.

I am not suggesting that the people in Toronto or Revelstoke should take a cut in pay and be brought down to the level of the people in Atlantic Canada or, in fact, the people of Saskatchewan who suffer the same discriminatory practices. Rather, I suggest that the people of Atlantic Canada, Saskatchewan and other places have their pay raised to the level enjoyed by their fellow Canadians elsewhere.

For years governments have been trying to do something about the lower standard of living in Atlantic Canada. If the government would take the simple step of raising the pay of the employees in Atlantic Canada there would be more money in the region.

• (1200)

Simple economics tell us if there is more money in the region, people will probably buy a new car, a new microwave or possibly extend their home which, of course, will stimulate the economy and get dollars moving. That is exactly what we need to have happen.

This week, we will be debating a new constitutional proposal from this government, a document which will outline the principles by which this country operates. One of the guiding principles of Confederation is that all Canadians are equal.

Many of our programs are designed to preserve this equality between people. Medicare ensures that all Canadians have universal access to the health care system, if it is not cut to pieces. Equalization ensures that the have not provinces have enough money to provide the same level of service across the country, again, if equalization payments are not cut to pieces.

Why then is this government treating Canadians differently on the basis of where they live? Two years ago when the ships' crews started negotiating for a new contract, they demanded an end to the regional rates of pay.

If you give me 30 seconds, I will wind this up as my time has run out. My colleague has explained the motion so I will not go through it. What I would ask the government to do is not to leave it to the arbitration boards, unions—

The Acting Speaker (Mr. DeBlois): The time provided for the consideration of private members' business has now expired.

[*Translation*]

Pursuant to Standing Order 96(1), this item is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

Hon. John McDermid (for the Minister of Finance) moved that Bill C–32, an act to amend the Canada Assistance Plan be read the second time and referred to Legislative Committee F.

He said: Mr. Speaker, I would like to move second reading of Bill C–32, an act to amend the Canada Assistance Plan. As part of the government's restraint program, this bill will continue the ceiling on the growth of the federal contributions under the Canada Assistance Plan to the provinces not receiving equalization payments.

Under the Government Expenditures Restraint Act passed last year, a 5 per cent ceiling on transfers to these provinces was set for 1990–91 and 1991–92. The legislation will extend those ceilings through to 1994–95.

Starting off this debate, I would like to remind the House that all Canadians and all levels of government stand to benefit from the wide–ranging measures that this government has introduced to put this country's fiscal House in order.

The federal debt we inherited in 1984, compounded by heavy interest payments over the last six years, represents one of the greatest dangers to this country's social and economic well–being.

Canada's $400 billion debt burden and the deficits that add to it are a national problem affecting all Canadians. It results in higher taxes, inflationary pressure, increased interest rates and, of course, long–term uncertainty. Because interest costs are such a large share of the budget—$43 billion this year or 27 per cent of our total expenditures—the debt consumes funds that might otherwise be used to assist Canadians in need and to support programs Canadians want and reduce taxes.

In sum, Canada's deficit and debt represents a major threat to sustainable economic growth and the ability of this government, and of all governments across the country, to provide the social services that we are so proud of as Canadians.

To effectively deal with this program, we must get back on track in reducing the deficit. This is the threshold step, to get the debt under control and on to a downward path. Deficit reduction requires spending restraint. That is why we brought forward this legislation. It is part of a broad program of spending control needed to establish a positive, economic environment for the country. National problems demand national solutions. For this government to live within its means, spending restraint must be shared with the provinces. Federal transfers to other levels of government are simply too large to ignore in this effort.

Members of the House should bear in mind that for decades the federal government has provided considerable financial support to the provinces and that support, by the way, has grown significantly; by almost 6 per cent annually from 1984–85 to 1990–91. That is a much higher rate of increase than the 3.7 per cent growth in over–all program spending over the same period.

As a result of this growth, total federal contributions to the provinces, both cash and tax transfers, will reach nearly $37 billion this year. The cash component of these transfers will represent about 20 cents of every federal revenue dollar.

We simply cannot afford to let this spending grow without some limits. With this in mind, Bill C–20 has already been introduced to control the growth of Established Program Financing and to provide for other restraint measures outlined in the budget.

Complementing this legislation, the bill before the House today would continue the ceiling on the growth in federal contributions under the Canada Assistance Plan to the three fiscally strongest provinces. Even with the measures that we are proposing, growth in federal transfers is expected to run at 3.7 per cent annually between this fiscal year 1991–92 and 1995–96 in contrast to just 3 per cent for all federal programs over the same period.

The level of CAP spending and the rate of growth over the past few years has meant that we cannot ignore this program as we work to contain expenditures. Since 1984–85, federal CAP contributions have grown at about 7 per cent annually from $4 billion to more than $6 billion last year. In contrast, total federal program spending has grown, as I mentioned earlier, at only 3.7 per cent over the same period of time.

Simply put, this government would not be a responsible custodian of the taxpayers' money if we allowed these contributions to grow without any restraint at all. We cannot spend our way out of problems with money we do not have and funds we cannot borrow except at a very high price for us today and, I guess more importantly, for our children tomorrow.

This bill has been carefully designed to balance our concern for needy Canadians and our desire to avoid placing unnecessary burdens on Canadians in the future. We know how important these dollars are in providing assistance to the neediest Canadians. We all know that in our constituencies as we experience it on a daily basis. CAP contributions help provide the most basic requirements of life: food, shelter and clothing, as well as social support in a variety of ways.

To me, the success of CAP is not measured by how many people are dependent on it, but by how many people it can help to regain personal independence. That is the important aspect of this. This independence would be worthless without a healthy economy and the jobs that go with it. It is to ensure the long-term health of the economy, threatened by the debt problem we have inherited, that we must put certain limits on the funds we give the provinces for these purposes.

• (1210)

Bill C–32 is part of a comprehensive responsible plan for fiscal consolidation and economic renewal, a plan based on the philosophy that has inspired this government since we came to power in 1984. We have reformed the tax system to increase its fairness and to improve the international competitiveness of our manufacturing sector. We have reduced waste and inefficiency in government operations. We have taken measured steps to reduce government spending so we can live within our financial means.

We continued our balanced approach to spending restraint even in the face of the recession we have just weathered. We kept to our course because we knew it was the only way to build a stable, long–lasting recovery.

We did not, however, embark on a wild spending spree as many of our critics demanded, especially the former premier of British Columbia, who would love us to just throw money at any problem and try to spend our way out of it. We have resisted the harsh calls from the other extreme, and that is to rip apart the social safety net on which many of our fellow citizens depend.

None of these steps we have taken compromise or will compromise our high, nationally consistent standards for health and social programs. Rather, they ensure that we will have a strong economy, that we will be able to afford these programs in the future and provide opportunities for those in financial difficulty to find independence and self–respect.

The balanced, prudent measures that we have taken, including those announced in the budget last February, will ensure that the deficit this year does not increase over last year, despite the effect of the recession that has just ended.

These measures, combined with economic recovery and lower interest rates, will push the deficit down sharply. For 1992–93, we are forecasting a shortfall of under $25 billion, the lowest in more than 10 years. By 1994–95, we will have eliminated the need for any new government borrowing on financial markets for the first time in 25 years.

During the recession of 1981–82, the government of the day chose a different path, allowing the deficit to balloon by $23 billion from 1982–83 to 1984–85, to a total

of $38.5 billion. It is this burden of debt that we have inherited, that all Canadians have inherited from the previous government that has made the legislation we have before us today so necessary.

I would like to assure the members of the House, and of course all Canadians, that the limits on CAP growth do not put this nation's welfare system at risk. The assistance provided under CAP by the federal government will continue to grow in every province. For seven provinces, no gross ceilings on federal contributions will apply. We will continue to match eligible spending on social assistance in these provinces dollar for dollar. In the three richest provinces, CAP contributions will also continue to grow but to a limit of 5 per cent annually. Even with the gross ceilings outlined in this bill, we estimate that during the five-year period in which the cap will be in place, federal CAP contributions to all provinces are expected to grow from $6 billion in 1990-91 to more than $7.3 billion in 1994-95.

CAP contributions to these provinces will continue to grow at a rate that is even faster than the growth in total program spending by this government.

As I am sure all members are aware, we have introduced legislation to restrain the growth in most areas of government spending to 3 per cent annually after the year 1991-92. The three affected provinces are those best able to share in the restraint necessary to build a stable fiscal foundation for this country's economy. Each of these provinces faces interest costs that are considerably less than those of the federal government, and these costs represent a much lower percentage of provincial spending.

For example, the national debt now totals $400 billion—equal to almost 60 per cent of the country's Gross Domestic Product. Interest payments will consume 33 cents of every dollar of federal revenue in this fiscal year 1991-92. In contrast, the combined debt of all the provinces will total about $113 billion this year, or 16 per cent of the Gross Domestic Product, and provincial debt payments will represent about 11 cents of every dollar of provincial revenue. In particular, these charges work out to 11.6 cents of every revenue dollar for Ontario, to 8.3 cents of every dollar for Alberta, and to 4 cents of every dollar for British Columbia.

Before I outline the amounts transferred by the federal government to these provinces, and how these contributions will be affected by the legislation, let me briefly remind hon. members how CAP is administered.

Every month each province and territory sends an advance claim to the federal government. This amount is subsequently adjusted to reflect actual expenditures, and the over-all account is balanced at the end of the year. The annual claim is certified by an auditor designated by the province and accepted by the Department of National Health and Welfare.

While the federal government specifies the conditions under which a particular program is eligible for cost sharing, the provinces are responsible for designing and delivering the programs and ensuring their comprehensiveness. And it is up to the provinces, in this time of fiscal restraint, to ensure that every dollar of assistance is targeted at needy Canadians and not siphoned off by individuals taking advantage of the system. When program dollars are limited, stringent enforcement and monitoring of payments to eliminate abuses is a must.

The actual financial impact of the 5 per cent ceiling on the affected provinces will vary with its level of spending. I see the Liberals disagree with eliminating abuses to the system. The actual financial impact, I repeat, of the 5 per cent ceiling on the affected provinces will vary with its level of spending. We estimate that social assistance spending in Alberta has grown less than 5 per cent since 1990-91. Consequently, we expect that federal contributions will continue to match the growth in Alberta's spending, dollar for dollar, for that year. The total federal contribution will be about $530 million. For 1991-92 the federal contribution will reach some $565 million.

For British Columbia, it is estimated that the province will be entitled to about $50 less in federal contributions in 1991 than it would receive if there were no growth ceiling. However, federal contributions will still top $715 million and for 1991-92 they will grow to more than $750 million.

Ontario will receive in 1990-91, $2 billion—about one-third of the total federal CAP contribution. This amount is about $450 million less than it would be if there were no growth ceiling. For 1991-92 Ontario will receive $100 million more for a total of $2.1 billion; by any measure a lot of money.

By taking this measured step we are seeking to live within our means—and the means of the Canadian taxpayers because they are the ones who foot the bill—while still ensuring that those most in need are fully protected. The financial discipline that we are asking for is essential if we are to reduce inflation further and interest rates. It is only in this way that we can strengthen the economic recovery that has already begun.

The fiscal responsible approach we have taken offers the only way that we can generate productive long-term jobs and ensure renewed sustainable prosperity. It is the only way to bring down inflation and create a positive environment in which all Canadians can confidently plan for their future. And it is only by ensuring that we have a prosperous Canada with a sound financial foundation that we can maintain a strong social safety net for Canadians in need.

• (1220)

As announced in the budget, there is a review of all major federal transfers to provinces under way with an eye to improving their effectiveness and tailoring them to the changing needs of the 1990s.

As part of this co-operative agenda the Minister of Finance will be meeting with his provincial counterparts again later this fall. Our goal is to maintain the principles and standards that are the basis of Canadian citizenship, while at the same time respecting provincial flexibility and tailoring services to best meet local conditions.

We are undertaking this consultation not because we lack a strong, positive vision of what needs to be done nor because we lack ideas on how to regain our fiscal balance. Rather, we recognize that for these ideas to be effective they must reflect the shared vision and mutual commitment by all levels of government and by all Canadians.

On the fundamentals of our discussion I am sure there is already full agreement. The success and permanence of Canada's social programs depends on the wealth and prosperity of the country as a whole. I need not remind my fellow colleagues that prosperity cannot be legislated.

As well, I am sure that all members of the House agree that the best assistance for Canadians in need is meaningful, permanent jobs, and job creation through sound economic management has been a priority of this government from day one.

The government's restraint efforts are even now showing results. The economy began to turn upwards in the second quarter of this year and continues to grow. We are expecting Canada to finish in second place among the G-7 in economic growth in 1992, with a growth rate of around 3.5 per cent.

The positive signs of growth we are now seeing are a source of encouragement, but we are all well aware that many Canadians are still experiencing the effects of this past recession. Without a doubt, we still have work to do to ensure that economic growth continues and that the recovery is sound and long lasting. If we waver, if we let the deficit rise, inflation and interest rates will follow, choking off growth.

We do not intend to let this happen. We have already laid the groundwork for sound economic growth and, if we were to listen to our critics, we would squander the sacrifices Canadians have made so far.

There are no quick, painless fixes to the deficit and debt problems we have inherited; only difficult responsibilities that we owe to Canadians. The extension of gross ceiling on CAP transfers flows directly from those responsibilities. I urge all members of the House to support this motion and to join us in accepting our fiscal responsibility to all Canadians.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I listened with great interest to the speech by my colleague, the minister opposite. What this government and what some of these comments have shown is that the government has not understood that reducing a deficit is not a social or fiscal or economic policy, but a policy that will affect the lives of average Canadians across this country. You cannot replace a fair and satisfactory social policy that prepares looks to the future with a policy that merely reduces a deficit. A government worthy of the name would try to achieve a better balance between economic and social objectives, objectives that are worthwhile, and this means not only acting responsibly, as the hon. member just said—

[*English*]

—about not compromising the health of the community, not compromising the economy, finding the way in which one would deal with the deficit.

I listened very carefully to this minister. He talked about the fact that prosperity cannot be legislated. That is true. But prosperity can be foreseen by proper economic policies, fiscal policies and social policies that are married and interrelated one with the other so that we end up with a country prepared to face the future, not frozen in the ideological mould of this particular minister who cannot seem to see beyond the dollars and nuts and bolts of a supposed dollar economy without looking at the people who make up that dollar economy.

I listened with great interest to better understand this government and to find out how this government was going to reconcile its general economic policies with its social policies, with its political policies, with the state of the nation, and in particular with respect to this Bill C-32; this policy of the government with that of keeping this country united, with helping the underprivileged, the underemployed, the unemployed and the poor in particular adjust to the changes that are taking place both interprovincially and internationally in the trade area.

This bill is supposed to deal with the poorest in our country. That is the goal of this particular bill. Whoever wrote the speech for the minister seems to have forgotten what the goal in this bill was all about.

I was curious and hopeful that the current political agenda be not totally dominated by our constitutional arrangement of where, what, and who sits in which rooms of our house. That is important to be sure, but the house is for the people, all people in all stages of their lives as they journey through life.

It is for the people in this house, in our house, which is covered with a common roof, a common set of practical values and that we build the foundation for a solid country where we are going to manage our house for all the people as they move from room, to room, to room, or whether they moved upstairs or downstairs as the world changes around them both inside and outside its borders.

The taxpayers' pocket is one pocket. The federal government in lauding how it has cut its deficit just completely ignores how it dumped that deficit on to the provinces which then subsequently dumps it into the municipalities. The long-term effect of that is that the same person has three people tearing at its pockets if he or she has any pockets left at all from which to pay the taxes.

Peoples' needs, economic and social, cannot be sidelined with the level of unemployment at 10.6 per cent and higher in certain areas—certainly higher in Montreal—with the level of the underemployed, with youth and immigrants feeling rejected, neglected and depressed, and even with those highly trained and highly educated who cannot get jobs, who move around looking for work. They move to those provinces which seem to be the provinces of higher prosperity: Ontario, Alberta, and British Columbia. They have had the major burden to bear of people looking for jobs as a result of this government's very poor policy.

How government runs and manages its economy has and will have a great impact on how we will want to keep that roof over our heads as a nation. If this is nation building according to this government, I think it is a pretty sad beginning to a very important week in the history of this country.

My theme is one of economic and social policy which go hand in hand; one complements the other. They are not mutually exclusive, and this is what this government does not seem to understand. Given the made-in-Canada recession, high unemployment, the free trade agreement that has severely dislocated our manufacturing base, the goods and services tax, and the unemployment insurance changes, provincial social assistance case loads are increasing at a much faster rate, particularly in the three affected provinces where people moved to find jobs that have now disappeared.

I have had some experiences about the impact of this government's fiscal policy. I have seen the street people in Montreal. I have seen those who sleep on the heat outlets, in the doorways. I have seen those who go to a place called Chez Doris—and there are places like Chez Doris everywhere across this land—and other centres where they get a meal. Sometimes they are lucky enough to get a bed. Believe me it touches our hearts; not that minister's but most people in this country. It raises questions in our minds. These people are the visible testimony and the example of the holes that we now have in our social safety net due to the poor policies we have seen from this government.

• (1230)

Mr. Kilgour: I rise on a point of order, Mr. Speaker. After last week you would think that the minister of fisheries would know better than to say, as he just did, "silly woman" to the speaker on our side of the House.

I would ask that you rule on whether that is a sexist remark made by a donkey from Newfoundland, if I can put it that bluntly.

Mr. Crosbie: Mr. Speaker, the hon. member should get his facts straight. I have not opened my mouth or said a word about anyone whether they are silly or not silly. So his statement is completely false and should be withdrawn.

Mrs. Finestone: Not only did you call me silly, you called me stupid. I think you should think about what you are saying. It degrades you and this House.

Mr. Nunziata: Mr. Speaker, I, along with other colleagues who are sitting here listening to the member for Mount Royal speak, distinctly heard the member for Brampton, in a very condescending way, refer to the hon. member as a silly woman. He would not have called a male member of Parliament a silly man. He said so in a condescending way.

An hon. member: And you are a silly man.

Mr. Nunziata: He also referred to the member as stupid.

I would ask, Mr. Speaker, in view of what has transpired in this House over the last number of days, that you take immediate disciplinary action and require that member, who is also a minister of the Crown, to apologize to this member immediately.

The Acting Speaker (Mr. DeBlois): I ask the collaboration of all hon. members because some of the words said in this House cannot be heard by the Speaker.

[*Translation*]

And I am sure you realize that the Speaker cannot— A lot of inaudible remarks are made which I can't hear when the microphone is closed. Consequently, I would ask both sides of the House to co-operate so that debate can resume in a spirit of harmony. If any members would like to withdraw or correct their remarks, they may do so, but so far I have not heard any unparliamentary language as defined by *Beauchesne's*.

The member for Mount Royal has the floor.

[*English*]

Mr. Kilgour: Mr. Speaker, I would like to apologize, without equivocation to the minister of fisheries. He is seated about three metres away from the minister from Brampton. You, sir, and I are seated about four metres apart. I heard the expression very clearly, but I am advised by members in my party that it was not the minister of fisheries who made the comment; it was the minister from Brampton. I would submit, sir, that it was audible to you, Mr. Speaker, and this side of the House.

Mr. Nunziata: Mr. Speaker, whether or not the Chair heard the comment, I would submit to you is not relevant. Those words were spoken. Members on this side of the House heard the words distinctly. The member has not denied making that condescending reference to my colleague. I would submit, Mr. Speaker, that just because the Speaker does not happen to hear a condescending expression from the member opposite does not mean that it did not happen. We heard it and we would ask that the member apologize.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I repeat that *Hansard* will show what was said, and for the time being, although the Chair did not hear the remarks, it reserves the right to check *Hansard* for additional information of the kind mentioned by the hon. member. Meanwhile, I may remind hon. members that in the House it is customary to take members at their word, and for the time being I consider the incident closed, subject to more extensive checks as soon as *Hansard* is published.

[*English*]

Mr. McDermid: Mr. Speaker, I do not deny making the statement "that was silly" and "silly woman". I also called her mate across the hall a silly man as well, because his statements were silly as well.

I apologize if I have offended the hon. member. I am not sure that I did, but she accused me of not caring for the poor.

Anybody from my constituency who knows my work in Brampton for those less fortunate than the rest would absolutely deny that. For her to make a statement like that in the House is silly.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I would ask the hon. member to co-operate. I think that what the minister just said should normally be considered to close the incident.

The hon. member for Ottawa West.

[*English*]

Mrs. Catterall: Mr. Speaker, you had ruled the discussion closed, but since it has been reopened by the last point of order, I am going to intervene at this point.

Until now, only men in the Chamber have spoken on the intervention by the member, and frankly it is only women who can feel the sick feeling in the stomach when our gender happens to be a factor in our performance and in how our words are received in this House.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member but members cannot do indirectly what they are forbidden to do directly. After the minister's remarks, I consider the incident closed, and I suggest we resume debate.

The hon. member for Mount Royal.

[*English*]

Mrs. Finestone: Mr. Speaker, the fact that I am offended, the fact that it is an offence that gender is always pulled in by some members in this House and the fact that this person happens to be a minister of the Crown, I think are to be taken into consideration. I am glad you are going to review the tapes and then make a decision.

With respect to Bill C-32, the act to amend the Canada Assistance Plan, we must consider our concerns about the deficit in far greater balance with the long-term social needs that Canada faces.

We are not here cleaning up a corporate balance sheet for an upcoming annual meeting. This is a country that we are building for the long term.

The Canada Assistance Plan was created in 1966 to permit the federal government to enter into cost sharing agreements with provincial governments for the provision of social assistance and social welfare services for Canadians in need.

CAP is one of the major cornerstones of the social security system in Canada. This program is a reflection of our widely shared values that are at the root of our political culture.

CAP is a service of last resort. It is one to alleviate poverty. The bottom line is that this federal government is abrogating another sacred trust of Canada's social programs. It abrogates this trust by amendments in a small, two-page finance bill.

It has violated the spirit of federal-provincial co-operation which has marked the 24-year history of CAP, and it acted unilaterally for the first time in the history of CAP.

This bill is a companion to that nefarious bill, Bill C-69, which was so capably analysed by my colleague, the member for Winnipeg North Centre. I hope he is feeling much better today. We miss him.

The CAP cuts were just a giant leap backward. It is an unwise, short-sighted counterproductive policy. It is not smart economic policy, which I will debate later.

CAP was designed to address the consequences and causes of poverty due to illness, disability, family break-up and unemployment. It was to be quite simply Canada's war on poverty. CAP allowed Canadians to share in the benefits and obligations of common nationhood and to strengthen their identity within Canada.

What does this bill do? It reaffirms the agenda this government has been pursuing for seven years now, which is to attack the fundamental social safety net of this country that has been established over decades, to pursue a financial debt and deficit reduction in a clearly unbalanced way, ignoring the tremendous social debt and deficit we also face in this country.

Yes, fiscal responsibility is one objective, but along with good social policy we can get a balance. Good government requires a balanced pursuit of both economic opportunity and social justice.

This bill, introduced under the Minister of Finance, implements a measure announced in the 1991 budget and will drain the federal government contributions to CAP by billions. The federal government admits this. You heard it in the speech today; it will save billions in federal transfer payments to the affected provinces over five years, through 1995-96. It will contain at most 3 per cent any potential growth that may be required as we have to restructure and face the internationally competi-

tive world. As I said before, it dumps more responsibility on to the strained provincial budgets. You cannot get blood from a stone. The affected provinces, Ontario, Alberta and B.C., for their part, expect the actual lost dollars to be much higher than what this government has stated. We know how often the Minister of Finance has had inaccurate predictions and has had to correct them after the fact.

• (1240)

The provinces affected by this restraint measure are home to about 46 per cent of the poor families in Canada. Fifty-four per cent of all welfare recipients under CAP live in those provinces; 40 per cent of those receiving welfare payments are children. It is they who will suffer.

Who are the people most affected by this bill? Who suffers the most when government fails to take its proper economic and social responsibility, in balance with deficit concerns, not outside of it? It is the children of this land. If Canada wants to have a strong, creative society tomorrow, it must invest in its children today.

The federal government continually says that it wants to target social programs to the people who are most in need. The capping of CAP will do the exact opposite. It will take away help from the people who need it most, our children. Not only is this inhuman, it is not smart economic policy. To create a productive society and a sound economy tomorrow, we must provide today's children with the tools they need to be creative, contributing citizens. That is why Bill C-32 is entirely counterproductive.

That is why we say, along with the deficit concerns, that we have to balance them with the long-run social and economic goals of this country. That means investing in our children, not cutting back the tools with which they need to live and to prosper in this country.

It is not only children. It is young adults, university students and immigrants who have come here for a new life. It is the whole gamut of underemployed, unemployed and those who fall outside the social safety net who need our help.

The result is that the majority of the most vulnerable people living in this country are very hard hit by this measure. This bill brings into question this government's lack of morality in not treating all Canadians, wherever they live, fairly and equitably.

Of course, the impact of this bill must be added to a similar measure passed as part of the 1990 budget, known as Bill C-69, which cut the growth of the same CAP transfers through 1990, 1991 and 1992 for these three provinces. That nefarious bill, put through on closure, also accelerated funding cutbacks for medicare and post-secondary education to all provinces, jeopardizing the ability and quality of those programs across Canada. In that bill, federal money paid to the provinces for these programs are reduced each year from the 1989-90 level of about $9 billion to zero by the year 2004. However, this government wants us to believe it is taking care of and looking to its responsibilities in building a nation in containing and enhancing this country.

Would you mind telling me what the federal government is targeting for cuts with this measure? I will tell you what they are. Under the CAP plan, the federal and provincial governments share equally in the cost of basic necessities, such as food, shelter, clothing, utilities and household supplies needed by those most in need and the most needy in our society. Only a Conservative could question that these vital programs are luxuries or frivolous or are misused, but that is the conclusion from C-32. That is the conclusion from what this minister's message was this morning.

Under CAP, services are provided for children who are in care or are in need of protection due to abuse or neglect, mentally and physically disabled people, one parent families, the aged, the unemployed, families or individuals in crisis, low income workers, battered women, and rape crisis centres. Do these people sound like the kind of people with the luxury of tightening their belts, as the Minister of Finance keeps saying and keeps espousing? CAP services include essential living services for disabled persons, foster homes for abused children, safe housing for abused women, subsidized child care for low income families and dental care.

Many Canadians agree with financial responsibility in government, but do these sound like programs where federal dollars are being squandered or wasted? Hardly I would say. It would take a Conservative to think that way. I would suspect that most Canadians would agree with me.

The restraints in Bill C–32 are bad enough in their own right, but they also confirm once again to this whole country that this government's approach of attacking the most vulnerable of society seems to be a mindset with them. It reminds those at the bottom of the income ladder that Tory times are very tough times. It tells those who today must look to government for a hand to get in line behind this government's crusade against the deficit. It says once again that this government will pursue the deficit problem alone and above all others.

As important as it is to address the deficit, it is only half the answer for a strong, competitive, productive Canada for tomorrow.

[*Translation*]

In the early 1990s, we have good reasons to fear the destruction of our social safety net, due to this Conservative government's approach.

Indeed, since 1984, this government has pursued a legislative and fiscal agenda that breaks systematically and radically with the traditional values and priorities of our country. For example, we can mention the abolition of universality for family allowances and old age pensions, which are now a thing of the past for thousands of beneficiaries who have to pay them back on their income tax.

There is no doubt that many of my constituents in Mount Royal agree with this observer who said recently that the government seems to have shifted responsibility for social programs from the Department of Health and Welfare to the Department of Finance, which does not have a reputation for very advanced social thinking or for being the government's conscience. Only now, after seven years of this Conservative government, do we start to realize the consequences of this decision to entrust our social policies to economists, lawyers and tax specialists in the Department of Finance.

The government has not yet understood that reducing the deficit in itself is not a social policy.

[*English*]

This government's record in a relatively seven short years stands as a clear rejection of Canada's proud record in advancing the cause of social justice and enhancing our social safety net as a symbol of a caring and just society. Just look back. The forties brought the Unemployment Insurance Act, universal family allowances, the National Housing Act, Central Mortgage and Housing, all steps and all measures to decrease the gap between the rich and poor in this country, something this government has managed to increase.

The fifties also extended the social safety net in this country, including income security provisions for the elderly and for the disabled, 50 per cent cost sharing with the provinces for social assistance payments and a share in the cost of provincial hospital insurance programs. But this is all weeping lilies and weeping willies. According to this government, this is not good social and economic policy for a country. We must have deficit reduction at all costs, it says.

The sixties brought the Canada Pension Plan, old age security, guaranteed annual income and the CAP plan, the Canada Assistance Plan. Through the seventies these programs delivered to Canadians the kind of society they wanted and believed in. The early eighties continued this trend with the Canada Health Act, reaffirming universal medical coverage and an end to provincial extra billing.

• (1250)

Who would argue today that those were not good steps for Canada and every Canadian? Certainly not our Prime Minister. He thought they were wonderful, that they were a sacred trust. Yet this government appears to believe its greatest achievement has been in reversing this proud record and often in sneaky, back–handed sorts of ways. It is never through the front door, never as a policy choice during an election.

This government has seen fit, since 1984, to attack Canada's achievements as a country instead of pursuing a balanced agenda between economic opportunity and

social justice. It is an attack that continues through this small two-line bill, Bill C-32.

Canadians will remember the regressive steps taken by this government, cuts to medicare and post-secondary education through the EPF restraints, clawbacks of old age pensions and family allowance benefits, removal of the interest income deduction from the income tax form measure which so helped our seniors, cuts to unemployment insurance programs which affected every part of this country, special fees on student loans that make the burden of education even higher, deindexation of the child tax credits, abandonment of child care, not once but three times, and cuts to housing programs. The list goes on and on.

[*Translation*]

This bill is only another in a long list of initiatives affecting our social programs that this government has put forward in recent years in the name of budget restrictions and deficit reduction. However, this bill is very representative of the government's short-sightedness in choosing to ignore the many real problems facing us, in order to concentrate all its energy on reducing the deficit.

When I see ministers get out of their luxury limousines in the morning, I tell myself that at the same time hundreds of thousands of Canadians have also got up but cannot go to work as before because they no longer have a job. They are unemployed, thanks largely to Brian Mulroney's government.

[*English*]

This government, as the ministers opposite are whisked off to work, just does not consider that there are families in turmoil out there, families that cannot pay their bills. They are losing their homes. They are sending their children off to school hungry and they are losing dignity and hope.

This government thinks it is doing the right thing. At least, it has a philosophic bent that seems to be frozen. This government appears oblivious to the plight of the beggar on the street. It is oblivious to the family slipping below the poverty line. It has little feeling for the family that cannot adequately feed and clothe itself.

It is demonstrating all of this in this small little bill. Its aim is to limit the benefits to those in this country who need help the most. I have told you that 40 per cent of the people being hit are children. These are the people whose children need clothes, bread on their tables. These people want desperately to work, and yet deficit reduction is the top priority of this government. It is important that it be a priority, but not the only one. The Prime Minister has said it is. The last Minister of Finance said it was. The new Minister of Finance says it is. This minister—I do not know of what—says it is.

What the government has not learned is that deficit reduction is not a social policy. Yes, you can ensure that good financial management is among your goals, but it is just one. You cannot substitute good, sound, forward-thinking social and economic policies with only a policy of deficit reduction. You cannot simply use deficit reduction as an excuse to do nothing. You cannot ignore the need for adjustment programs and for sound restructuring policies to ensure a productive, competitive work force in the new global economy.

Good government, to me, requires a vision for people, a plan that puts in place a commitment to that plan that really makes it work. Good government always requires a more balanced and broader approach.

This government has failed to learn that you have to consider, along with the country's economic and financial deficits, the tremendous social debt and deficit that we face now and which will become worse in the future if we do not do something about it now.

These social debts and deficits, whether in education, whether sending a child to school hungry, whether if ignored will grow and be exacerbated in the long run by a narrow vision and no foresight by the government opposite, are the real fundamental issues. We cannot abandon social targets and social policy goals in order to accommodate some sort of blind, narrow-minded view that the deficit should be our strait-jacket.

This government has made the mistake of not forging a balanced approach. This government's economic agenda has stolen from Canadian families any real improvement in their fiscal situations and created massive unemployment. It then makes the poorest in our society pay for it and pay the biggest cost. It then tries to give us an argument that it has created jobs, jobs, jobs, and that it is thinking of the future and it has good plans. It is funny nobody can see it but the government. It is like the emperor without the clothes.

[*Translation*]

By itself, the deficit reduction policy favoured by this government cannot solve our problems and meet our many needs right now in research and development, education, manpower development and retraining. Well thought out and well considered policies are what is needed now. We cannot address appropriately the market's structural problems nor ensure the much needed competitiveness of our manpower on the world markets with inadequate programs. This obsession with deficit reduction does absolutely nothing in terms of improving the skills of a single Canadian worker. This fixation does nothing either for all those people who stand in line at soup kitchens, food banks and shelters for the homeless.

What is needed to address the most urgent of our social problems are clearly defined and effective policies that blend with our economic policies and are just an afterthought.

If we want to build a caring and compassionate nation then people must come first and priority must be given to those in need the men, women and children of this country at the same time as we address the deficit. That is what slipped their minds, they forgot to take that into consideration.

This government believes that we can afford the luxury of waiting until the deficit has been eliminated before considering any assistance to the million and a half unemployed in this country. I say to this government that they are wrong, dead wrong, that we cannot afford such luxury. They also think that they can remain unruffled. Does all that misery not bother them? They concentrate exclusively on the deficit while a growing number of Canadian men and women have to queue up at food banks and while in greater number they have been reduced to begging to survive. Fewer and fewer Canadian children can dream of having a decent future. Their poverty is not only physical but also moral, since they have become hopeless.

I am telling the departments and the ministers who are here today: you are making a mistake. You have strayed. You must get back on track and understand that your first obligation is not to beat the deficit but to take care of the people you are responsible for. These two responsibilities should be better balanced. One is not exclusive of the other.

[*English*]

This government mistakenly believes that blindly paying attention only to the deficit will somehow magically stop children from having to go to school hungry each morning. It will not. Will it find shelter for the homeless? It will not. I simply say that we do not have the luxury of playing which comes first, the deficit or the strengthening of the social fabric of this country and the upgrading of the skills of its people to face the international and interprovincial trades that we require in this country. It is a trade-off this government is making every day and it is totally unacceptable.

• (1300)

Mr. Boyer: Did you like the announcement 10 days ago about the disabled?

Mrs. Finestone: You did a few things right, Patrick. I did not say you did everything wrong, but very few things. The disabled in terms of housing are not particularly happy. Come and speak to the disabled and those who are in charge of housing in my riding. Find out what they have to say about the degree and the condition of the infrastructure and the apartments and the housing which you have stopped financing.

Mr. McDermid: This is a provincial responsibility.

Mrs. Finestone: Oh, dump it on the provinces again. If you did not keep cutting, the provinces would have the money to do it.

I read the Constitution very well. It is too bad you do not know how to read the Constitution. Your first try was very ineffective. I hope the second one will be much better. We are all hoping that.

While this government is focused so blindly—Mr. Speaker, I will take it up again.

The Acting Speaker (Mr. DeBlois): You have seven minutes left.

Mrs. Finestone: Do I have it left now or after? *Plus tard ou maintenant*?

I know I have discomforted the people opposite, some of the ministers, the minister who is in charge of fisheries out on the east coast and the west coast; the minister who was once in charge of transportation, which is now totally dishevelled and upset. A number of these ministers have recommended that we go through belt tightening, and it is slipping from belt tightening to a belt around the neck for millions of Canadians, choking them now and maybe permanently.

This government uses rhetoric of equality to mask an agenda that widens the gap between rich and poor, through arcane tax changes and the slow elimination of publicly funded programs. This is not acceptable.

In the end, what is this bill? It is one more instalment on the Tory agenda which Canadians have been living with for seven years. It is an agenda which has as its main focus a sort of blind, narrow-minded preoccupation with the financial debt and deficit, ignoring the social debt and deficit. It is one in which market forces alone are supposed to carry the day and in which survival of the fittest replaces the goal of a caring, compassionate Canada and a more just society.

The result has been an era in Canada in which tremendous social and infrastructure needs have been ignored. The message is that we in Canada have always had a balanced agenda. I suggest that in the end Canadians will agree that deficit reduction fails miserably as constructive social policy or a social policy of any kind.

The total debt and the annual deficit are to be treated in a most serious way. They are real problems. There is not much room for fiscal manoeuvring if that is your only concern. However, relative to other industrial countries I would remind you that Canada spends a much lower percentage of its GNP on social programs. I also think that Canadians agree that you cannot substitute deficit reduction for policies that actually help people.

I do not think that Canadians like the image of people lining up at food banks, of people needing clothing, of people being homeless, of people being hungry. That is the other side of the reality facing this country every single day.

My last words with respect to this national government is that it should start to reflect the concerns of the people and respond to their needs. That is why it was elected. This bill fails to reflect the true needs of Canada. It reaffirms this government's failure at balancing deficit concerns and our economic and financial deficit with social concerns.

Do not forget that losing a job is for many people a sort of death sentence. The dignity of the unemployed who do not have the choice of working and earning their living honourably is removed.

Mahatma Gandhi was once asked what he thought of western civilization. He paused, and then he said: "I think it would be a good idea". This government would do well to consider a more civilized approach, one that takes into account the concerns I have outlined and accepts its social responsibilities.

I would recommend the government take its ideological blinders off, withdraw Bill C-32 and go back to the drawing board so that Canadians might be again able to look to their national government as a true reflection of the values we share as a people.

It has a fiduciary responsibility for the poorest in this country. That is what the Canada Assistance Plan is all about and that is what it should have done; a more equitable place in society where economic, fiscal and social concerns are part of the national agenda.

I finish with three thoughts. What this government has not learned is that deficit reduction is not a social policy, that to survive in the international and national arenas, we must restore a sense of balance between economic and social goals on our national agenda if we want to build a nation. You cannot substitute good, sound, forward looking social policy with a policy of deficit reduction. Good government always requires a much more balanced approach between economic and social goals for our nation.

[*Translation*]

I would have repeated this in French had I had the time, Mr. Speaker, but I think that I made it clear and that others will have to repeat it time and time again to make this government realize it has made a mistake and it is going the wrong way. I certainly hope that this country will survive, in spite of the way it is managed and the decisions this government has made.

[*English*]

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, I am pleased to be able to participate in this debate. I want to thank the previous speaker for presenting her party's point of view on this current situation. Many of her comments I agree with. I think it is important that we hear all sides on this issue, but I know

the government will have its way with this legislation, as it does with its overwhelming majority.

A lot of curious things are said during a debate to bolster an argument. I want to go over a couple of things said by my good friend, the member for Brampton. In making his point the minister said that the servicing of the federal debt took 33 cents of every dollar that Canadians contribute to governments. Then he went on to explain to Canadians why three provinces were under the cap, Ontario, Alberta and British Columbia.

I can speak certainly for British Columbia, but I wanted to make just one observation which seems to be a bit paradoxical about Ontario and perhaps some people might think hypocritical. Since I am in politics I understand the difference between hypocrisy and paradox. Perhaps the Chair could explain how it views it.

In suggesting that the federal government is burdened with having to put 33 cents of every dollar on to the federal debt and rationalizing why there was a cap on Ontario, he said: "They only have to pay 7 cents for every dollar of debt". How can that be when the Prime Minister of this country has gone around scorching the Government of Ontario for its deficit extension of $9 billion when this government is going to have a deficit of $35 billion this year and yet admit that it is paying more than four times per year to service the debt than what Ontario is? Hypocrisy or paradox?

I think the member has been attacking the Prime Minister behind the Prime Minister's back, going around saying that Ontario is paying one-quarter of the debt servicing even though it has a deficit this year that is going to serve people, while it is cutting services to people and paying 33 cents per dollar. Hypocrisy or paradox, Mr. Speaker, I leave it to you to judge.

Second, when this government came into office it said that it was going to campaign to cut the deficit, cut the accumulated debt of this country through deficits. When they came in the deficit was a little over $100 billion.

• (1310)

An hon. member: Two hundred billion.

Mr. Barrett: Yes, $200 billion. They have managed to double it, more than double it, in the time they have been in office.

My friend is quibbling with me about what the federal deficit will be this year. I said $35 billion and he says $30 billion. What was the name of that famous cabinet minister who said: "What's a million?" C. D. Howe said: "What's a million?" These guys say: "What's five billion?"

There is a $30 billion deficit. They have doubled the national debt since they have been in office, and they have the gall to come in here and lecture people on how tough it has been for them to double the debt and the deficit.

An hon. member: All interest.

Mr. Barrett: All interest. Now we get to this cry—all interest. If they wanted to avert some of the problems of internal interest, why in the world did they maintain the high interest rates that were bleeding Canadian businesses, Canadian citizens and Canadian taxpayers in accumulating this debt? Then they come in here and say: "Well, it was all interest". It is like the person who goes out and kills his mother, kills his father, and then goes to court and pleads for mercy because he is an orphan. I find that kind of logic frankly absurd, but it is Tory logic. They are on this maniacal drive to cut back services to people on a right wing agenda that Milton Freedman would applaud. It has gone so far that they make Margaret Thatcher look like Florence Nightingale when it comes to services in this country.

I want to tell you that the absurdity, the paradox and the hypocrisy of this government show no limit. But there is a tender heart in this government's body for one sector of the community. Let us hear it, Mr. Speaker, for the downtrodden corporations of this nation that have been so oppressed under a previous Liberal government, which had a bit of a social conscience—not enough, but a bit of a social conscience. But let us examine the record of this government when it comes to fair share in taxes. Oh, squeeze the little guy, squeeze the GST, cut back in provincial transfers, but let's take a look at just one year with corporations under the Conservative government.

These corporations never have to go in front of a social worker, never have to show what their food budget is,

never have to show what their housing allowance is. They just go on a wink and a nudge between the corporations and this government.

Using the government's own statistics, because I find them convenient, I want to point to just one year, 1987. These figures are from Statistics Canada, before the minimum tax, when you were piling up deficits. Then you were adding to the debt, then you were pouring it on to the debt. You called the Liberals all kinds of names, names that I could agree with for I am not a Liberal, but at least have some decency to admit the names you were calling them had no foundation in fact when you come to this part, of how you have messed up the economy of this country as my colleague said through the GST, through the free trade agreement and now capping the provinces.

I know there are a lot of Canadians out there who will never vote Tory again after I read this information from Statistics Canada. As a matter of fact, there are very few Tories left. Has this government ever pondered why they are at 16 per cent in the polls—16 per cent in the polls? The Canadian people are telling them that they are fed up. Here are some of the reasons why.

I am glad the member is here, and I will send him my autographed notes after because he wants this material to back up his speeches.

In 1987 they had 362,828 corporations that reported $87.7 billion in profit. Now of course that was before the minimum tax. The effective tax rate at that time was supposed to be 36 per cent. That is right. Thanks to a leaky system the effective rate of taxation of these profits was 17.7 per cent. A net of $15 billion was payable. They did not pay their fair share then. They are not paying their fair share now. If we are going to pay down the debts of this country piled up by an insensitive stupid Conservative government, at least make it a fair share. The corporations still are not paying their fair share.

Let me go further, Mr. Speaker. The best is yet to come. Despite combined profits of $25 billion, fully 118,000 corporations, or about one in three, paid no corporate income tax whatsoever. When the debt was piling up because of fiscal policies that were frankly so right wing it made Milton Freedman embarrassed, they were still letting the corporations off the hook.

Tell that to the mother on welfare when she cannot feed her two kids and has to line up in the food bank. Tell that to the unemployed in Montreal and the shopkeepers who have had to close up in downtown Montreal. Tell that to the prairie farmers who are trying to eke out a living at the lowest price wheat in history since the 1930s. Tell them you could not hit the corporations while they were piling up the debt. There were billions and billions and billions of dollars in favouritism to those corporations, while the average Canadians had to carry the can for their stupid fiscal policies.

Who piled up $400 billion in debt? They did. Who is it that is causing us to pay 33 cents on every dollar on debt charges? They are. Who is it that attacks Ontario because they pay 7 cents on every dollar? They are. Who are the hypocrites, Mr. Speaker? I ask you to ponder that question. I only raise it as a paradox.

I find it less than amusing that this government forces that poor unfortunate minister into a position of defending a policy that is another cut at Canadian federation.

If you want to keep this country together, Mr. Speaker, the way is first of all to come clean about how the debt was accumulated.

Who was responsible for these fiscal policies, and how we are going to get out of it? It is not good enough to come in here and suggest that three rich provinces have to carry more of the can while the other seven do not. We all agree with that. When we bound ourselves together as a nation in Confederation we said in good times in some regions; we would share bad times in other regions.

There is not a taxpayer in this country who would not at any given time understand the need to share right across the board. Under the former Liberal administration there was a move to put a cap on health care spending, to put a formula in on the richer provinces. Ten premiers met with the then Prime Minister and in concert they rejected the formula and went back to the standard concept that a Canadian is a Canadian is a Canadian, and in good times we share and in hard times we expect to be shared with. That concept is being destroyed by this bill. Amid all the flimflam about constitutional debate and regional concerns, this government has made a mess of the economy. They have piled up huge deficits, accumulated debts in this country, and now they are going back to the ordinary people, not the corporations, and saying: "You carry the can". Some regions have to carry it more than others.

Nothing could be more divisive. Nothing could be designed to destroy this country more than the very idea of this legislation. It is not just its application, but in the abstract the concept of this legislation is giving the idea that we will permanently have in this country have and have-not provinces.

That is wrong. That is foolish. We should understand that Canadians are the same from coast to coast and, if you are going to put in Draconian legislation on three

provinces, you create divisive attitudes about where you live and regional fairness.

I want to go on to that other group in this country that does not pay their fair share, the chartered banks. In this instance I am not going to savage the current government, but I am going to chide the previous Liberal administration for setting the pattern of allowing the banks to get off the hook. In their last years in office from 1981 to 1984, the Liberals in the same circumstances, moving toward deficits for the first time in large numbers, tried to control the deficit without even touching the banks.

• (1320)

In 1981 to 1984 inclusive, Canada's seven largest banks made profits of $5.37 billion and paid taxes at a rate of 1.34 per cent.

Shame on the Liberals. Shame on the Liberals for giving the banks a break. There is a recession today. That is what they are arguing.

An hon. member: They made it.

Mr. Barrett: They made the world-wide recession? Oh, come now. I can blame the Tories for a lot of things, but they are too incompetent to create a world-wide recession. They have just done it here in Canada. They have only done it here in Canada. They would not have the competence to do it internationally.

To suggest to me that the Liberal's response was to the recession, recession or not the banks made the $5 billion profit. Why did the Liberals not tax them? I know why. When the Liberals are in office they are very right wing. When they are in opposition they are very left wing. That has been the pattern of this country. That is the Liberal schizophrenia that I just had to remind the House about casually when I speak about paradoxes. Should they be returned to office and there is a breath in my body, I will remind them word and paragraph and chapter of the statements they made while they were in opposition. Oh, will I remind them.

Nonetheless, the Tories did not create the recession. What was their response to it? They dug us in even deeper. The high dollar a former minister of Crown suggested was a fixed deal with the United States. Mr. Sinclair Stevens said it and the government denied it. I am inclined to believe Mr. Sinclair Stevens. I have not met the gentleman and so that is why I believe him. I have met the other Tories, so I will pick the one I have not met yet. If I have to do it on that scale it is very easy.

The gentleman said there was a fixed dollar and I agree with him. Why else would the Canadian dollar be going up, up, up like that?

An hon. member: There are lots of reasons.

Mr. Barrett: Lots of reasons. Has the government ever heard of pegging the dollar? Has the government ever heard of the fiscal instrument of leading the nation by saying that the dollar will be traded at *x* amount?

An hon. member: Is that NDP policy?

Mr. Barrett: Is that NDP policy? I will say this: I would never have signed a softwood lumber deal as dumb as this government did. It pegged the dollar on the day and the dollar was on a rise and there was nothing in the deal to accept or adjust for that rise. Only Tories could make that kind of a decision.

An hon. member: You did not answer my question.

Mr. Barrett: I will. I would peg the dollar. I would also limit interest rates. I would never have allowed them domestically to go the way they did. We would have had a two-level interest rate policy in this country.

Total intrusion in the market. What is the bill? It is a total intrusion in the budgets of the 10 provinces that we are trying to keep together as Confederation. If you say that we are intruding on a market, what in the world are you doing interfering in provincial budgets? The provinces of Quebec, Ontario and British Columbia do not need it. You are giving lessons to the provinces that you will not keep yourself.

I find it hypocritical or paradoxical. Back to the banks and what the Liberals allowed the banks to get away with. Not again.

An hon. member: Are you going to nationalize them if elected?

Mr. Barrett: They are already nationalized, only it is a private sector nationalization. Those five banks do not enjoy any competition at all. Try and get some regional competition in banks.

An hon. member: Would you nationalize them?

Mr. Barrett: I would allow the provinces to expand like Quebec has done with the caisse populaire. I would allow the provinces to become far more aggressive as Quebec has done in its economy. Give them some competition. The one thing you free enterprisers do not believe in is competition for those monopoly corporations.

An hon. member: Tell us what you did for them.

Mr. Barrett: We tried to get the Liberals to open up the banking system. I understand that your government may be doing that. If that is the case, congratulations to you.

An hon. member: What do you think of Bob Rae these days?

Mr. Barrett: He just proved the case against Bob Rae. You were not in here. It would help you grow hair.

I will just remind the hon. member of the comparison he gave of Ontario paying 7 cents on the dollar. It is up to 33 cents a dollar and they are cluck-clucking about Ontario. That is hypocrisy or paradox.

The record is replete with how this particular government has made a mess of the economy. It has destroyed almost every one of the fiscal attachments that make this Confederation an attractive place to be for all citizens. It has assaulted the poor and small businesses in this country and then has come along with this bill and said: "Now, you will have to pay for all the insults we have given you".

This government is no longer fit to govern. This government does not have a mandate with the Canadian people. It is not popular in any section of this nation.

I think the best and the healthiest thing that could happen in this country is not this kind of stupid legislation but an immediate election. Let the chips fall where they may.

My God, if a government has ever outlived its time, it is this one. Was it Cromwell who said: "For God's sake, go"? If I may invoke Cromwell, you should have gone months ago.

Mr. David Kilgour (Edmonton Southeast): Mr. Speaker, I am always interested in listening to the member from British Columbia because I share his concern about the banks.

The banks, as he knows, are paying very, very little in terms of income taxes and from all indications have a great many Canadians very unhappy with them.

Will he tell us specifically what his party would do with respect to the banks? Would he nationalize one or all of them? While he is at it, would he tell us why it was that during the three years that he was premier of British Columbia there was such a precipitous loss of confidence in that province? I think he will acknowledge that, or I hope he will because I am a friend of his successor, Mr. Harcourt, and have high regard for him.

Mr. Barrett: Mr. Speaker, first of all, let us deal with the myths about British Columbia.

I will put my seat up against any member of this Chamber who claims that we did not have balanced budgets in the province of British Columbia during the NDP administration.

The fact is we did. We also left $600 million in assets that were later dissipated under the British Columbia Resource Investment Corporation into which poor, unfortunate people were inveigled to invest $30,000 of their funds under a right wing government known as Social Credit. Now BRIC shares are down to about 80 cents.

I can give you a litany of the other assets that were left. The British Columbia Petroleum Corporation. A book which one of the retired executives of West Coast

Transmission has written points out that it made $700 million just by marketing natural gas back to the people of British Columbia.

Enough said. If you want to stake your seat on our financial record, do it, but let us put the myth to rest.

The banking system: I personally do not believe that we should buy a bank. I do not believe that, and I do not believe that we should bail out banks either, like the Tories did. In a free marketplace, you have a God-given right to lose money. I find it interesting that they only help the rich when they lost money, not the poor.

What are the alternatives? One of the simple alternatives is to have the logic and the common sense to use internal Canadian financing, just as the Liberal administration started using the Canada Pension Plan in a very, very good way. The step further from the Liberal policy of using the CPP would now be to allow those investors in RRSPs to have access to municipal bonds at 5 per cent and give them a tax credit holiday while the money is in the RRSP and the bond money is being used locally.

There is $90 billion in the hands of the private banks, half of which is only self-directed in the RRSP. If you used the other half and made municipal bonds available—I have spoken on this at some length—it would take that money away from the banks which have nothing innovative at all other than to make massive amounts of profit on interest with no social policy attached.

This is not socialism or free enterprise. This is common sense. Use the indigenous pool of capital that exists in this country to start creating jobs so people can pay taxes and we do not have deficits. People unemployed create deficits because they are not being productive. There is one way.

• (1330)

The second way is to examine the possibilities of Ontario treasury boards, to examine the possibilities of the caisse populaire in Quebec and also the treasury boards in Alberta, indigenous financing for local projects on a long-term basis, the kind of imaginative use of Canadian capital which is not at the vagaries of international capital. It is not offshore borrowing. It is using money here in this country the best we can to buffer ourselves during a recession. It is nothing magical. It is just a little bit of common sense.

The last point is fair shares. Make the banks become competitive by paying their fair share in the tax system. What is wrong with that? Nothing is wrong with it. Also the credit union movement must be strengthened in this country. Extol the virtues of how co-operation among ordinary depositors can be a powerful instrument in fiscal policy.

None of these ideas has been considered by this government. It makes the ordinary people carry the can while its rich friends get off on a free ride.

Mr. John Nunziata (York South—Weston): Mr. Speaker, the hon. member seems to have all the answers to the economic problems facing this country.

Can he explain to me, if his economic policies are so sound, why his government was defeated in British Columbia? Is he suggesting that his economic policies were accepted by the people of British Columbia? Did his economic platform in any way contribute to his defeat?

Mr. Barrett: I love to hear that question from my colleague who is a Liberal member. Five prominent citizens in British Columbia were elected as Liberals. Within months they walked across the floor and sat with Social Credit. They changed their policies by changing coats. They are the ones who defeated the New Democratic Party before the government had a chance to extend itself.

An hon. member: And the people were defeated.

Mr. Barrett: Sure they were. There is no longer a Liberal Party in British Columbia. When the chips were down the Liberal Party in British Columbia went right wing. Four of its members crossed the floor. One of those who crossed the floor was Dr. Pat McGeer who wrote one of the most vicious books on Social Credit, condemning it from head to toe, scandals, payolas and everything. As soon as the Liberals got elected, they joined Social Credit.

While they sat in the cabinet, did they destroy the British Columbia Petroleum Corporation which they voted against and made $700 million for the people of British Columbia? They did not destroy it. Did they destroy the Insurance Corporation of British Columbia? No, they did not destroy it. Did they destroy the Small Development Corporation established by the province of British Columbia? No, they voted against it but did not destroy it.

Every single one of the fiscal initiatives of that government was voted against by those same Liberal members and when they came to power, they kept them and smugly laughed about the profits they made out of them.

I am not cynical. I welcome the questioners question. He is ignorant of his own party's duplicity, but I am just enlightening him a little bit. I would hope that once he gets elected as a Liberal he would stay there, instead of being hypocritical as the Liberals in British Columbia were.

Mr. Bill Domm (Parliamentary Secretary to Minister for Science): Mr. Speaker, it is very difficult in this House to sit down and not ask some questions of the former speaker. I just have one. It will probably be quite easy for him to answer. Since really not much of what he said has much to do with the bill, I thought I would deal with one of the aspects of his comments.

I can remember back before I was a member of Parliament the policies of the now Official Opposition and the policies of the now New Democratic Party in this House. I would just like a very basic simple explanation as to why they continually fought campaigns showing a replica of the Canadian dollar. On that replica of the Canadian dollar they showed and used extensively across Canada a picture of the late Right Hon. John Diefenbaker. In that dollar they had the corner folded over and a piece of literature said that the dollar was now only worth 97 cents.

I campaigned against NDPs who thought that the dollar had come down too far. I campaigned against Liberals who said the same thing. What changed your view today, to say now it is a plus when before you said it was a minus in economic development. In your speech today you referred to the dollar being high and strong and said that was causing us all our trouble. You did not mention how it helps fight inflation and how it helps to buy American products on which we depend extensively.

The question to you, and I repeat it because you very seldom stand up and answer the question, why did you not like a deflated dollar in the 1950s and the 1960s and now think the deflated dollar is the only route to go? You were blaming the Conservatives in those years for having a deflated dollar.

Mr. Barrett: Mr. Speaker, I do not recall the Diefenbaker dollar, but I will give him a simple explanation. The dollar was—

Mr. McDermid: You are much too young.

Mr. Barrett: I was much too young. Thank you very much, Mr. McDermid.

A 97 cent dollar internally is worth a heck of a lot more than a 77 cent dollar internally. Thirty-three cents of every dollar is going on that national debt. Diefenbaker did not pile up that national debt, this government did. It doubled Trudeau's national debt. The 97 cent dollar you are talking about is now a 77 cent dollar; that is internal debt.

I want to tell you that joining us in the House today is the former Liberal leader who knows even better than anyone how the Tories have messed up the economy since that time.

[*Translation*]

The Acting Speaker (Mr. DeBlois): Resuming debate. The Parliamentary Secretary to the Minister of Finance.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, it was interesting that the hon. member for the opposition should talk about everything except Bill C-32. Mr. Speaker, I think it would be useful to get back to the bill itself and take a very good look at what this bill is supposed to achieve and consider why the government introduced this legislation.

Mr. Speaker, Bill C-32 concerns the Canada Assistance Plan, and most Canadians—I think more particularly of the people in the riding of Trois-Rivières—find it difficult to understand exactly what the federal government does for the provinces and how it all works. Perhaps I may take a few minutes to provide some background.

Mr. Speaker, in Canada, Ottawa or the federal government makes two types of payments to the provinces—the first kind is called equalization, which is probably the better known of the two. Equalization payments go to the so-called less wealthy provinces. Seven provinces receive equalization: the four Atlantic provinces, Quebec and Manitoba. Three provinces do not receive equalization payments: Ontario, Alberta and British Columbia.

There is another program called the Canada Assistance Plan, which means transfer payments made by the federal government to all the provinces. For instance, my own province, the province of Quebec, would theoretically receive two cheques a year from the federal government: one for equalization payments and one for transfer payments to the provinces.

The bill before the House today, Mr. Speaker, applies strictly to transfer payments to the provinces. This bill provides that the so-called wealthy provinces—Alberta, Ontario and British Columbia—will see the annual increase in the amount of money they receive from Ottawa capped at 5 per cent. That is the purpose of this bill. Why? Why these provinces in particular?

As I said before, these are the wealthiest provinces, and in fact, Mr. Speaker, at the rate annual transfer payments to the provinces are increasing, they cost a lot of money. For instance, in 1984–85, the federal government gave the provinces $25.6 billion annually, and this was for all the provinces; in 1990–91, we are talking about $36.3 billion.

• (1340)

Mr. Speaker, if we look at the Atlantic provinces, Quebec, Ontario, Saskatchewan, Manitoba, Alberta and British Columbia, since 1984 spending by all the provinces increased by an average of 6 per cent. Ontario, for instance, has an average annual rate of 10 per cent; British Columbia, 7.6 per cent; and Alberta, 4.3 per cent. Meanwhile, here in Ottawa, this government has cut increases in government expenditures down to an average of 3.7 per cent annually. As you can see, Mr. Speaker, this government has taken draconian measures to ensure its expenditures do not increase. It has done so, Mr. Speaker, because in 1984, we had a national debt of a little over $2 billion, a legacy from the previous government, and since 1984 that debt has increased. The opposition often says it is all our fault. Mr. Speaker, if the opposition or anyone for that matter were to make a fair and accurate calculation of the increase in the national debt since this government came to power and also computed the annual interest payable on the debt we inherited, they would see the amount is the same. This means that if we exclude the interest on the debt, since 1984 we have managed to control spending by dint of good administration.

In 1984, Mr. Speaker, the federal government spent $16 billion more than it was getting in revenue. This year, the government will spend $12 billion less than it is getting in revenue. Mr. Speaker, this shows that in seven years we managed to get the administration of this country under control.

However, we still have a problem: the national debt is still there and the deficit is still there, and we must take steps to deal with the deficit and the national debt. One of the ways to do so is Bill C-32, which, I repeat, does not reduce the amount of money transferred to the three so-called wealthy provinces every year. What it does is cap increases in the amount of money the federal government sends to these provinces. The less wealthy provinces which, as I said earlier, receive both equalization payments and transfer payments will not be subject to capping. These provinces will receive the full amount to which they are entitled according to the formula and will not be capped at 5 per cent like the other three provinces.

Another thing we must understand Mr. Speaker, is that the government has frozen all increases in government spending at 3 per cent, until 1994–95, with the exception of transfers to the provinces, while transfers to the wealthy provinces will be capped at 5 per cent, not 3 per cent. Mr. Speaker, you will ask me: Why penalize three provinces? As I said earlier, these are fairly wealthy provinces. We must consider our financial situation. As you know, we often talk about the national debt and the deficit, and as far as the opposition and some Canadians are concerned, it is our problem, not theirs. It is no one else's problem. That is false, Mr. Speaker. The national debt belongs to all Canadians. Each and every Canadian has a $15,000 debt, his or her share of our national debt. It costs the federal government in Ottawa 35 cents of every dollar; 35 cents of every dollar received by Ottawa go strictly to pay the interest on our debt.

Mr. Speaker, Ontario's debt costs that province 11.6 cents per dollar; Alberta's, 8.3 cents per dollar; and British Columbia's, luckily for it, 4 cents per dollar.

So you see, Mr. Speaker, that these three provinces together still pay less interest on their total debts than we do in the federal government. Perhaps they were better run in the past, I agree, but the problem is real. We are asking Canadians to tighten their belts. Mr. Speaker, I cannot imagine returning to my riding of Trois-Rivières and telling people, "Look, 35 cents of every dollar you send is used to pay interest charges. I would like to raise your taxes a little to be able to give more to the provinces that pay between 4 and 11 cents

per dollar as interest on their debt. These provinces are one tenth as indebted as the federal government." We have a social choice to make as a government. We can raise taxes again. I think that no one wants that, Mr. Speaker; you don't want it, I don't want it, Canadians don't want it.

But at the same time, some provinces have low debts, and thus little interest to pay and less to spend on finance charges. Mr. Speaker, those are the provinces that, like the majority of Canadians who are able, must help the federal government solve the problem of the debt and the annual deficit.

Mr. Speaker, that is where Bill C-32 comes in. Again I repeat it, because the difference between equalization payments to the "have not" provinces and the Canada Assistance Plan that benefits all provinces must be understood. The purpose of this bill is to restrict the increase in transfers but not to reduce them. We have heard the opposition say that we were taking money from the provinces. That is false. We are reducing the increase that they would have.

Three so-called rich provinces, Mr. Speaker—and looking at their debt rate, I would call them rich—are affected by this bill: Ontario, Alberta and British Columbia.

So, Mr. Speaker, I think that as Canadians and as people who care about Canada's long-term economic and fiscal health, not simply tomorrow morning but the long term, we must pass this bill as soon as possible.

In closing, Mr. Speaker, allow me to move, seconded by the hon. member for Peterborough:

That this question be now put.

• (1350)

The Acting Speaker (Mr. DeBlois): Questions and comments. The hon. member for Ottawa-Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is surprising indeed, but this government has made a habit of imposing a time limit on any debate that bothers or disturbs them in any way.

I cannot understand why this government which has a lot of explaining to do to the people of Canada, a lot of problems to deal with, does not want to discuss this matter and wants to impose a time limit on debate by putting the question. This prevents any further amendment from being made and means that the vote will be taken as soon as we are through debating.

I listened carefully to the hon. member, Mr. Speaker. I have noticed that he has not explained the object of Bill C-32, an Act to amend the Canada Assistance Plan. He talked about the economy, about equalization and many other things. Now, I would have a question to ask him to put in context this much emphasized economic question on which he spent the 12 or 13 minutes of his speech.

Since 1973, Mr. Speaker, assuming that the Gross Domestic Product gives a good enough picture of the goods and services produced in Canada, how can this wealth created by the Canadian people be compared to the national debt? In other words, what is the rates debt GDP?

According to the figures I have—I had the time to do a little research during his speech—in 1973 the debt was equal to 2.7 per cent of the GDP. In 1985, one year after the Tories took office, it was 10 per cent. In 1987-88, it had reached 32.5 per cent. And it is estimated that, by 1995, just a few years down the road, it will be 41 per cent, that is to say that 41 per cent of all the goods and services produced in Canada will constitute debt, Mr. Speaker.

So, I ask the hon. member: Is he defending a good thing or does this economic slump simply go to show that this government is totally incompetent at managing this country on a day to day basis? I ask him candidly.

Mr. Pierre H. Vincent (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am happy to see my colleague from Ottawa—Vanier. We always have interesting exchanges together. However, I have to admit I am surprised by the question, especially coming from someone who has been a member of this House for nearly 25 years—

Mr. Gauthier: Nineteen years.

Mr. Vincent: Nineteen years then, Mr. Speaker. He comes and talk to me about the GDP, the national debt and the deficit? But, Mr. Speaker, until 1984, his government increased its spending by 15 per cent annually. That is right, Mr. Speaker, 15 per cent a year on average between 1968 to 1984. They increased spending, Mr. Speaker. But revenues were not necessarily coming in at the same rate. That is how we ended up, in 1984, with the Liberal government's credit card limit stretched to $200 billion—not $20 billion, but $200 billion.

When this government came into office, it inherited an unpaid credit card bill of $200 billion. At the same time, Mr. Speaker, they were spending $16 billion more than they were taking in every year. So, not only did they leave us with a credit card at its maximum, but they kept at it. In just seven years, by 1990–91, we managed to bring government expenditures down to $12 billion below revenues.

Now, we can take these $12 billion and start applying them toward reducing their debt, by paying their debt charges. That is what is called good, sound management, Mr. Speaker. It is not easy. There were cuts over the past seven years, as you know, and there are yet more to come. Sound management is a must if we want to ensure the future of this country. And sound management requires that we stop spending and start paying our debts.

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, I would have a question for my colleague. At the beginning of his speech, he mentioned equalization as well as wealthy provinces, referring to the rich and poor provinces of this country. I know that, throughout the proceedings of the Bélanger-Campeau Commission, some specialists and so-called economists have argued that rich and poor provinces are really not all that different, except for a few clearly identified cases. But Quebec has always been considered one of the rich provinces and, thus, expected, along with the three other provinces mentioned by our colleague, to provide for the not so wealthy. Could my hon. colleague give us again the objective data?

Mr. Vincent: Mr. Speaker, I appreciate the knowledge and experience of the hon. member for Outremont. Perhaps I may explain this in simple terms. When the federal government gives money to the provinces, there are two ways it usually does this.

The first is affected by Bill C-32, which we are discussing today, and is commonly referred to as transfers to the provinces. Ottawa gives each province the same amount of money per individual. Suppose this is $10. There are 6 million Quebecers in Quebec so Ottawa will send a cheque for 6 million times $10. There are 8 million Ontarians in Ontario, so Ottawa will send a cheque for 8 million times $10. That is what we call transfers to the provinces.

There is another system for the less wealthy provinces which is called equalization payments, and these are intended to help provinces and their residents whose income is below the Canadian average. The Atlantic provinces, Quebec, Manitoba and sometimes Saskatchewan are eligible for equalization payments. These are computed according to a very complex formula—I don't want to get into the details—but it is based on how the revenues of the provinces compare to the Canadian average. So this is another way the provinces can receive money.

The hon. member pointed out that Quebec is considered to be a wealthy province. Quebec does have substantial revenues. Nevertheless, compared with the national average, it is entitled to equalization payments. I imagine that is what the hon. member for Outremont wanted to clear up.

The Acting Speaker (Mr. DeBlois): Resuming debate. The hon. member for Ottawa—Vanier.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, there is hardly a minute left before question period. I could start my speech, but once I start, I would like to be able to continue. Perhaps this will give someone else a chance to make some more comment. Considering the time, I move that we call it two o'clock.

The Acting Speaker (Mr. DeBlois): So if the House agrees, we will now proceed to Members' Statements pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

[*English*]

YUGOSLAVIA

Mr. Jesse Flis (Parkdale—High Park): Mr. Speaker, this morning the Department of External Affairs reported that with the exception of a few pockets of fighting, the latest ceasefire in Yugoslavia is holding. This was confirmed by both the Yugoslavian embassy and the Croatian Agent General to Canada.

But this is only the beginning. We must seize this opportunity and actively pursue a settlement. Canadians can be proud of the fact that we were the first country to

ask the United Nations to become actively involved in a negotiated settlement of the crisis.

We are pleased that on Thursday a special meeting of the United Nations Security Council will be convened to discuss the situation in Yugoslavia. Today, on behalf of the Official Opposition, I call upon the Secretary of State for External Affairs to contact our Canadian ambassadors around the world and the diplomatic corps here in Ottawa, asking them to do whatever they can to urge the United Nations to work toward a resolution of the crisis in Yugoslavia.

* * *

NATIONAL UNITY

Hon. Alan Redway (Don Valley East): Mr. Speaker, if Quebec separates it will assume its fair share of Canada's national debt. According to the Bélanger–Campeau commission, that is 18.5 per cent. Other Canadians say it is 25 per cent. Obviously this would be settled by negotiation.

But what happens if there is no agreement? Even if we do agree, Quebec cannot legally assume any of Canada's national debt without the consent of our creditors. Likely Quebec would have to make side payments to Canada for its share of debt retirement and interest.

What happens if Canadian interest rates rise before the debt is paid? What happens if Quebec defaults on its payments? Who knows for sure. What we do know is that the credit rating of both Quebec and the new Canada will be lower than it is for our present Canada and that will hit each of us personally in the pocketbook and reduce our standard of living.

* * *

SOFTWOOD LUMBER

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, once again Canada is following the FTA rules and getting the back of the hand from the United States for doing so.

This time we are being shafted on softwood lumber. The United States complained about a subsidy. Canadian provinces responded in good faith. Now there is no subsidy and no need for an export tax.

How does our partner in the FTA react? Seventy senators demand that Canada be slapped with a 25 per cent duty. We have lost trade disputes over steel rails, lobsters, parts of construction equipment and west coast salmon. Even our so–called big win in the pork dispute is a testament to U.S. willingness to back Canadians against the wall even when America's complaint is totally ridiculous.

The FTA is more than we bargained for. We lost 7,000 jobs in the lumber industry. We have seen scores of companies flee south. Over a quarter of a million jobs nation–wide have gone. We have seen our communities devastated by job loss and capital flight. Enough is enough. Abrogate the free trade treaty now and let Canada have a sovereign economy the way it should have had all these years.

* * *

[*Translation*]

QUEBEC'S ACCESSION TO SOVEREIGNTY

Mr. Guy Saint–Julien (Abitibi): Mr. Speaker, an independent Quebec would be economically viable but the price to pay would be relatively high, according to Patrick Grady in a study published today by the Fraser Institute. This economist predicts that Quebec would suffer a serious recession and that Canada would face economic difficulties.

If Quebec became sovereign, the consequences for Canada and especially Quebec could be serious, he concludes in this 168–page study. The deficit of an independent Quebec would increase and its interest rates would rise. Businesses and individuals would leave, Mr. Grady predicts. He says that if the province separates, its economic activity could decline by 10 per cent in the short term and 5 per cent long term. The economic situation would thus be three or four times as bad as the recession that Quebecers are now barely getting out of.

* * *

[*English*]

NATIONAL WOMEN'S CENTRE DAY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, today women in communities across Canada are celebrating the first annual National Women's Centre Day. Single mothers, homeless women, abused women and their more fortunate sisters, can all find strength at women's centres. There they will be met with caring faces, supportive voices, and needed information.

Women's centres are at the very heart of our communities. Yet last year this government cut funding for women's centres by 100 per cent and only restored it after a national outcry.

It is clear that women's centres must have core funding. Just having year to year funding is not sufficient. Last week in this House there was much discussion about showing how much members of this House respect women in Canada. Actions speak louder than words. I call on this government to institute core funding for women's centres. That is what will count with the women of Canada.

* * *

NATIONAL WOMEN'S CENTRE DAY

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, National Women's Centre Day is being celebrated for the first time today to recognize women who are helping other women to help themselves. Many of these women are volunteers.

By providing information, referral and support services, women's centres play a significant role in identifying and addressing the many problems that specifically affect women and in finding solutions to those problems. They also deliver a wide range of education and advocacy programs which support equality for women.

It is time that we acknowledged their important contribution and help in their financial struggle to keep the doors open. Instead, this government has cut funding to advocacy groups by $25 million, forcing the closure of many of these centres which are already barely surviving on short-term grants and endless fund raising. In fact, in several provinces women's centres receive absolutely no ongoing support from the federal government.

The theme of this year's Women's Centre campaign is "Keep the Door Open for Women". I ask the minister responsible for the status of women to stop closing that door and to implement core funding for women's centres in all regions of Canada.

S. O. 31

NATIONAL WOMEN'S CENTRE DAY

Mr. Peter L. McCreath (South Shore): Mr. Speaker, today is the first official day we recognize the work being done in women's centres across Canada by dedicated volunteers.

The theme of this year's campaign is "Keep the Door Open for Women". In Bridgewater, Nova Scotia, for example, the Second Storey Women's Centre has organized a variety of projects. Sometimes it seems to take a great tragedy to focus our collective attention on the violence and institutionalized inequalities that are faced by women every day in our society. We act surprised and ask ourselves how wanton acts of violence can occur in our modern society. And yet, how can these things not happen when satirical magazines incite their readers to rape young women in the name of humour, and there is little public outcry.

We must work together to change old attitudes and to banish harmful stereotypes. To do this, we must ensure that our centres receive adequate funding from both public and private sectors. I encourage all members of this House to work with the women's centres in their areas to ensure that they have the funding necessary so that women can take back the night and feel safe in their homes and their places of work.

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RESEARCH AND DEVELOPMENT

Right Hon. John N. Turner (Vancouver Quadra): Mr. Speaker, I welcome the government's recent announcement to support the upgrading of the existing cyclotron at the University of British Columbia and to build the world's first KAON factory at TRIUMF, the Tri-University Meson facility.

As you know, Mr. Speaker, as the member for Vancouver South, this joint venture of the universities of Alberta, Victoria, Simon Fraser and British Columbia is located at UBC in my riding of Vancouver Quadra.

I have been aware of the work at TRIUMF for many years. I have toured the facility with its director, Dr. Erich Vogt, and have discussed the planned upgrade.

The House will know of my long-standing commitment to this project, as I have raised the subject here in this House on several occasions.

With this project, Canada takes its place at the vanguard of the new technologies. The study of sub-atomic particle physics at TRIUMF facilitates research in the fundamental forces of nature. Information gathered here has been used in medical, biomedical and geological research, and has led to breakthroughs in cardiac diagnosis, radioisotope treatment, positron brain scanning and the destruction of cancerous tumours in humans.

The impact on scientific research and related technology in Canada will be tremendous.

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[*Translation*]

OCCUPATIONAL TRAINING

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, Alain Noël writes in *La Presse* that the eastern part of Montreal is suffering from a serious shortage of occupational training. Job training is a key issue, says Claude Pichette, president of a committee to revive the economy and employment.

The challenges of training and employment thus also become priorities. All sorts of analyses show that we need to implement a program based on continuing education. Such programs must reach not only the unemployed but also workers who will have to change jobs as our industrial structure modernizes; this means almost the whole labour force every fifteen years or so. The conventional concepts of "upgrading" and "retraining" are no longer adequate because they have a connotation of being exceptional, even marginal. We need a new industrial culture where everyone takes it for granted that they will have to review their training regularly throughout their working life.

• (1410)

Some talk emphatically about the German, Swedish, Japanese or even Swiss models. Mr. Speaker, we should invest in occupational training as those countries do.

[*English*]

SPORTS

Mr. Bob Kilger (Stormont—Dundas): Mr. Speaker, the 35th Hockey Hall of Fame induction dinner will be held here in Ottawa tonight. The ceremonies will also feature a salute to the Ottawa Senators hockey club of the past as well as the new addition to the NHL.

First and foremost, however, the dinner will induct NHL players Denis Potvin, Mike Bossy, Bob Pulford, and Clint Smith; coach Scotty Bowman and a former colleague of mine, linesman Neil Armstrong, into the Hockey Hall of Fame.

I know, Mr. Speaker, you had the honour to host a reception for these individuals today. Many Canadians recall their exploits as they participated in the game at which Canada excels. The recent Canada Cup victory proves once again that when it comes to hockey, Canada is number one in the world.

Hockey is also an integral part of Canada's culture and the game has united Canadians from across the country. Over the years, hockey has provided a source of physical fitness for millions of Canadians and countless hours of enjoyment for both player and spectator.

Congratulations to the inductees and a warm welcome to the Ottawa Senators, which will begin play in the NHL's 1992-93 season.

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CROSS-BORDER SHOPPING

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, since the House of Commons recessed for the summer the problem of cross-border shopping has continued at a significant pace. It is a fact that the large price differential in gasoline between Canada and the U.S. is a major motivational factor in the cross-border phenomenon.

Canadians are flocking to the U.S. in greater numbers, lured by lower gas prices and once they are there they are buying other retail goods.

The severity of this problem is captured in a study done by the consulting firm Ernst and Young on the effects of cross-border shopping. It estimated that retail sales losses to our Canadian retailers is in excess of $2 billion nationally. The Retail Council of Canada put retail losses in Ontario alone at $1 billion in 1991.

This phenomenon cannot go unaddressed. Cross-border shopping creates negative economic activity, especially in border communities like Sarnia.

Both the federal and provincial governments must take a serious look at the taxation of gasoline in an effort to help alleviate the problem of cross-border shopping.

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AGRICULTURE

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, it is has been projected that farm families in the grains and oilseeds sectors will have incomes of about $6,500 for this last year. That is about one-third of what we consider to be the poverty income in Canada.

The previous Minister of Agriculture, now Minister of Finance, promised that his government would provide a third line of defence which would make it possible for these farmers to survive. The government has reneged on that promise.

The all-party House of Commons agriculture committee met in August and unanimously passed a resolution pleading with the government to honour that promise. Today the House will vote on that resolution.

I hope that government members will support the grain farmers by voting for that motion and that governments, both federally and provincially, will extend some hope to those thousands of desperate farmers by taking action now on the third line of defence.

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CORRECTIONAL SERVICES

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, on August 22, 30 organizations from the municipalities of Colchester county met to discuss the area's qualifications as a location for the proposed facility for federally sentenced women. These organizations represent the people who would deliver the services that would provide the benefits that would benefit the lives and futures of the women inmates.

There were members of church organizations, correctional services personnel, law enforcement officers, women's' centres, children's organizations, health workers, emergency measures groups, educators, community service groups, all levels of government and certainly representatives of the native community, truly an impressive group that showed true community interest in providing a home for this institution and the people who are to use it.

Truro and the surrounding area is an ideal community in which to locate such an institution. It enjoys easy access for the majority of inmates and their families. It can provide low cost accommodation for visiting families. It is a positive community with a positive people who will provide assistance and be role models as these women move back into society.

I urge the Solicitor General to approve Truro as the site of the Atlantic women's correctional facility because it is simply the best place for it.

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NATIONAL UNITY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, these are confusing times to be a Canadian and to be debating the possible breakup of our country.

On the one hand there are people telling us that if Quebec leaves Canada, we would probably all be better off. Certainly that is the message of the Bloc Quebecois and the Reform Party.

On the other hand, groups such as the Fraser Institute are now warning that Quebec separation would mean a stock market crash, higher interest rates and a deep recession for all parts of Canada, including my riding.

I do not know who is giving Canadians the best vision of the future. Canada should not stay together just out of fear. I ask all Canadians to stop and think about these two conflicting positions. Whichever they end up choosing, they will at least have taken some action to form Canada's future instead of just letting it happen. Hopefully, Mr. Speaker, they will choose Canada.

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FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, the 1991 fishing industry along the northeast coast of Newfoundland and Labrador will be recorded as disastrous, potentially the worst in memory.

This failure is mainly the result of heavy pack ice and icebergs which persisted in some areas until now, resulting in cold water temperatures that disrupted the inshore fishery and the migratory presence of cod, capelin and other species, and the continued plundering of transboundary stocks by foreign fleets. The impact on those communities dependent on the fishery is devastating.

Inshore landings are considerably less than one-half what they were last year and, as a result, thousands and thousands of fishermen and plant workers are without their incomes. Their incomes have been wiped out and there is not enough work to qualify for unemployment insurance.

These are extraordinary conditions and they require extraordinary measures. I join my colleagues in the Liberal Party in calling on the Conservative government for a comprehensive strategy on aid to those engaged in the fishing industry in Newfoundland and Labrador who are in dire need, and for an immediate response to this crisis.

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KIDS CARE WEEK

Mr. Scott Thorkelson (Edmonton—Strathcona): Mr. Speaker, this morning, Consumer and Corporate Affairs launched the second annual Kids Care Week. I know this House shares my dismay that approximately 400 Canadian children die and some 54,000 are hospitalized each year as a result of accidental injuries. Kids Care is a response to this tragic reality.

During Kids Care Week, events will take place all across Canada to reach out to communities and to parents to raise awareness of every day dangers and to stress the message of Kids Care. Children are our most precious natural resource. We must do what it takes to keep them safe. I applaud this vitally important program and wish for a very successful Kids Care Week.

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, tomorrow the government will table its constitutional proposals. I would like to warn the government that constitutional change will be difficult to implement in Canada if the government does not show Canadians it also understands the need for rapid economic change. In the present context, Canadians are not feeling very generous. I therefore ask the Minister of Finance and Deputy Prime Minister, considering the fact that the unemployment rate is rising instead of going down, what kind of concrete measures the government intends to take to reduce the number of unemployed Canadians which today reached 1.5 million.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the key to bringing about growth in the Canadian economy is the reduction of interest rates, and the key to reducing interest rates is bringing down inflation and inflationary pressures. Both have happened and to the extent that has had a positive impact upon the economy, we have seen growth emerge in the second quarter on an annualized basis of 4.9 per cent. We expect that growth to continue, albeit in a modest and moderate way because there are some other difficulties that exist within the Canadian economy, namely, the balance sheets of corporations and a burden of debt overhang, as well as a shortage of credit available to consumers. So it is tempered with that.

The important issue is to get the fundamentals right. We are getting the fundamentals right. Sustained growth and price stability can occur through the containment of inflation and fiscal consolidation. That is the policy we are following, and that is the policy that will produce results.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, these are the policies the government is following and these policies are not working. I want to tell the government that 1.5 million unemployed Canadians will not be swept under the rug because we are again beginning the constitutional debate.

I want to serve notice to the government that we will not let it off the hook with its very bad economic policies and with the mess it has created in Canada.

• (1420)

My question is for the Deputy Prime Minister. Now that we have the free trade deal, when will we see the adjustment programs that the Prime Minister promised to Canadians during the last election in order to face the problems they have today as a result of losing their jobs? The government's promise to give them help is not being fulfilled.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, there are existing programs within Employment and Immigration which have been very effective in terms of providing adjustment measures. The government has provided adjustment in the fisheries sector, the agriculture sector and the shipbuilding sector. All of these things have occurred.

I do not know whether the Leader of the Opposition has decided to support or continue to oppose the free trade agreement, but I want to tell him that in Edmonton the other day Dow Chemical announced that it was going to build an $800 million petrochemical plant. The president and chief executive officer, Mr. Wilcock, stood on the platform and said: "Ladies and gentlemen, this facility would not be built here had it not been for the free trade agreement because it has reduced tariffs and given us access to the marketplace." Now, is that what the hon. member is opposed to?

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I would like to tell the Deputy Prime Minister and Minister of Finance that there are farmers in Canada who are waiting for help from this government. There are fishermen who help from this government. There might be the creation of a few jobs here and there, but there are hundreds of thousands of people who are losing their jobs because of the mismanagement of this government.

I would like to know if the government will soon present us with an economic plan because we not only need a constitutional plan, but an economic plan to keep this country together.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I think the hon. member, who was the Minister of Finance and the President of the Treasury Board, and has had some interest in this issue, will find it very revealing, when he sees the document, that we are taking some very important steps in terms of strengthening the economic union.

I think that will be very positive. I think it will allow for a greater degree of fiscal and monetary co-ordination which I think is necessary in this country. If we are doing it at an international level, surely it has to be done at a domestic level as well. I think that we can build on that.

I agree with the hon. member that the unemployment rate is too high, but I also ask him to remember the fact that over the last six years this country has had the best job creation rate of any nation in the OECD. It has had the second best growth rate. It is the seventh largest economy and the seventh largest trader in the world, and we intend to maintain that leadership.

* * *

UNEMPLOYMENT

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, my question is for the Minister of Finance, who likes to cite facts. Well the facts are that in eight of ten provinces, unemployment went up not down in August.

The minister knows as well that in six of ten provinces, unemployment exceeded 10 per cent in August. He also knows that unemployment hit a six year high in August, and yet he declared the recession over. Unbelievable.

I want to ask the minister whether 10.6 per cent unemployment, 1.5 million lost souls in Canada, is now the acceptable level of unemployment in this country.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, no one likes to see a level of unemployment that high. I do not, and the hon. member does not. It is not as simple as just simply snapping your fingers and all things come into place.

The German electronic giant, Siemens, wants to quadruple its 3,000 strong work force within the decade.

Some hon. members: Where?

Mr. Mazankowski: Oh, where. "A large number of these jobs would be in Ontario," Mr. William Waite, President of Siemens Electric of Mississauga, said yesterday. He said: "There is one catch, the jobs will materialize only if Ontario can generate enough skilled people able to use the latest technologies. My problem is not with an 88 cent dollar, my problem is with the lack of skilled workers." That is clearly part and parcel of the problem. While we have one million plus people unemployed, there are many jobs that are available but they are not filled because of the lack of training and skills that needs to be provided. That is an issue that is being addressed by the Minister of Industry, Science and Technology and it is one that is going to require the co-operation and the partnership of all components of society.

Mr. Brian Tobin (Humber—St. Barbe—Baie Verte): Mr. Speaker, I am from Newfoundland, not Disneyland, and I recognize a Mickey Mouse performance by a Minister of Finance when I see it.

Some hon. members: Hear, hear.

Mr. Tobin: Does this Minister of Finance not realize that it is very difficult for 1.5 million unemployed Canadians, for farmers in need and fishermen in need, to be tolerant and generous toward this government and its policies, including regrettably its constitutional policy, when the Minister of Finance has shown nothing but contempt for the unemployed of Canada?

I ask the Minister of Finance: Will he produce an economic plan to help put this country back to work?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, this government has created an economic climate that has produced the best job creation rate of any country in the OECD. We have gone through a recession. The recession has been deeper than was originally expected. We are coming out of it. We are going to have, we believe, sustained growth in the order of 2.5 per cent, achieving 3.1 to 3.5 per cent in 1992.

According to the OECD and other informed observers, it is pretty clear that this country is on the right track in terms of its economic and fiscal policies. We intend to follow that because it is the only way that we can build an economy that will provide sustainable growth with price stability. That is our goal. That is our objective.

* * *

THE ECONOMY

Hon. Audrey McLaughlin (Yukon): My question, Mr. Speaker, is for the Deputy Prime Minister. The Deputy Prime Minister has just said that they have the best job creation program ever. One and a half million Canadians are asking: "Where is this job from this job creation program?"

The Deputy Prime Minister says we are on the road to recovery, but the statistics say something else. Last week, the international trade figure, particularly our trade with the United States, was the lowest in 10 years. Today, we see that retail sales are still at the recessionary level. The Deputy Prime Minister knows that what this means is lost jobs for Canadians.

Will the Deputy Prime Minister redirect his economic policies so that we can get Canadians back to work and stop just catering to the powerful and wealthy?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am sure the hon. member knows that there is a certain lag time. When there is growth that is recorded in the economy, there is a lag time until that is translated into jobs. That is what we are seeing.

With respect to her point with regard to the merchandise trade balance, I remind her that in the second quarter exports grew by some 22 per cent. It is not that exports have fallen, but that imports have increased because of the influx of machinery and equipment to gear up for the demand that is being created. I think that is what has to be taken into consideration.

Obviously, the recession, as I said, was deeper than was expected. It is going to take a little longer to get out of it. We cannot remove ourselves from addressing the fundamental issue. The fundamental issue is that we must contain inflation. That is the trick to bringing down interest rates. Interest rates have come down by 5.5 percentage points. That trend is continuing. The spreads have come down and that trend, hopefully, will continue. That is the way in which we will get the economy back on its feet again.

We are convinced that there will be sustained recovery, but there must be price stability at the same time.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, the only trend that is continuing is that unemployment remains in double digits and more than 1.5 million Canadians remain out of work. That is the trend that is continuing, despite what the minister says.

[*Translation*]

I have another question for the Deputy Minister, who keeps reciting the same old statistics. What does he have to say to employees at Angus, Kemtek and Dominion Textile in Montreal? What does he have to say to employees who have lost their jobs like so many others in this country? What does his government have to say to all these unemployed Canadians? What does it have to offer: statistics or jobs?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, I can inform the hon. leader of the New Democratic Party that the Conservative Party has done a great deal for Montreal. And since she wants some facts, I can inform her that today, Merck–Frosst is investing $239 million in current research activities in the pharmaceutical sector. According to the company, this major project was a direct result of the passsage in 1987 by the government of Bill C–22, which enhances protection of intellectual property rights in the pharmaceutical sector. This measure encourages businesses to invest in major research and development activities in this country.

• (1430)

We supported Bill C–22. Where was the New Democratic Party when it could have done something to help Montreal?

Hon. Audrey McLaughlin (Yukon): I have a supplementary, Mr. Speaker. This is good publicity for the government, but it doesn't produce jobs for Montreal's unemployed.

[*English*]

Mr. Speaker, I have a supplementary. The Prime Minister has said that a Constitution without a vibrant economy is "just a pretty piece of paper".

As we enter another round of constitutional discussions, many Canadians across this country including the ones we have just been speaking about, those without jobs, are preoccupied just with survival, with putting food on the table.

What real economic option such as jobs or a child care program is this government prepared to bring forward so that those Canadians who are living in need can have their basic needs met, can have a job and a decent child care program? Then, they can work together on the unity of this country.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I sympathize with the points that are made by the hon. member.

I take no comfort in having an unemployment rate of more than 10 per cent. I also recognize that the hon. member disagrees with the fiscal and monetary policies that the government is following. That is fair ball, but I think that she should recognize the fact that the OECD, which is an international organization, did its report card on Canada and said that it endorsed Canada's monetary policy as being necessary.

It was very supportive of the fiscal policy action and the thrust of the February budget. It was very supportive of the structural policy changes that we have brought forth, i.e. the free trade agreement, the Foreign Investment Review Agency and the GST.

All those things were necessary, including reform with respect to the unemployment insurance program. They were critical about our ability to be productive and in terms of our labour efficiency. They were critical about our unemployment insurance program that they considered was too generous, so we take this as an objective assessment. The hon. member should not ignore that.

[*Translation*]

Mr. Paul Martin (LaSalle—Émard): Mr. Speaker, my question is this: The vast majority of Canadian economists believe the Canadian dollar is overvalued by at least 6 cents. Does the Minister of Finance agree?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the Government of Canada does not have a set exchange rate for the dollar.

It is established in the marketplace. The hon. member can have an opinion on that, but it is established in the marketplace. There are many factors that are taken into consideration, i.e. capital flows, interest rates, inflation rates, merchandise trade balance and all those things. The hon. member should know that.

Mr. Paul Martin (LaSalle—Émard): Everybody knows that the value of the dollar is as a result of a series of conflicting factors, but it is also clear that this government has tilted the balance the wrong way.

As a result, it is fighting inflation on the backs of the unemployed and it is pillaging our export industries. I did not ask the minister why the dollar is up there; I asked him whether it should be up there.

The vast majority of Canadian economists thinks it is over-valued by at least 6 cents. Do you agree with him?

Mr. Speaker: I appreciate the brevity of the question, but I would ask all hon. members to put the question through the Speaker.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member can have an opinion about the value of the dollar.

The value of the dollar is established in the marketplace. Quite frankly, if the hon. member believes that the dollar is over-valued by 6 cents he might want to enlighten me as to how he would bring the dollar down by 6 cents. How would he keep it there?

I think Canadians will realize—

An hon. member: Resign.

Mr. Mazankowski: The hon. member says "resign". I am not a finance minister who is going to come along with simplistic nonsensical solutions that will not stand up to international scrutiny.

* * *

AIRLINE INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Transport. During the last two weeks, 2,300 Canadians lost their jobs at Air Canada, Canadian and Nationair, in addition to the 3,000 jobs lost last summer.

Today's reports indicate that the government at the open skies negotiations is on the verge of giving full cabotage rights to American carriers, full accessibility in Canada.

Given our industry's serious state of health, the continued loss of thousands of jobs, there is the fact that our industry is so much smaller than the American industry. I ask the minister how the government can even contemplate offering American carriers full accessibility across Canada.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, I appreciate the hon. member's concern about the airline industry in Canada, just as we have concerns about it.

The reason we entered into the negotiations with the United States was to ensure a more viable service between the U.S. and Canada where Canadian industries could get a larger share of the pie.

The hon. member mentions that we are going to put that on the table and I am sure he is getting that from an article in *The Financial Post*, but I would also like to quote what was said by the speaker referred to in that article: "Canada presented a paper on cabotage at the third exploratory round which outlined controversial aspects including legal, technical, and regulatory implications and, in particular, conveyed the economic concerns raised by Canadian stakeholders that cabotage should not threaten the viability of Canadian carriers".

Mr. Sergio Marchi (York West): Mr. Speaker, that is the same talk that Canadians heard before the federal government entered into the free trade agreement, and now those same Canadians are paying the price.

I go back to the same minister: Given that an all-party committee, including Tories, and most of the industry is flatly against cabotage, will the minister categorically state in the House for Canadians that during the open skies negotiations, the Canadian government will not sign an air agreement that will give Americans full cabotage rights in Canada? Yes, or no?

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, this government in its agreements with the United States will not sign anything that is not good for Canadian airlines.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of State for Transport. I want to remind the minister that the current imbalance between Canada and the United States shows a favourable balance of $500 million a year on the Canadian side. This is not something we have to get into in order to protect our carriers.

I also want to remind the minister, through you Mr. Speaker, that we have seen thousands of Canadian workers in the aviation industry thrown out of work in the last year alone, that the airlines are operating in the red, passenger loads are down, and the only solution that this government has come up with is to turn over our domestic and international travel to the Americans.

I want to ask the minister what is in these negotiations for Canadian airlines and Air Canada, if anything.

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the very reason we are in negotiations is to make sure there is a better share for Canadian airlines. In the transporter market, we have not given away cabotage. We have not signed an agreement. We are in exploratory talks.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the article this morning in *The Financial Post* made it very clear that not only was cabotage now on the table with the agreement of the Canadian negotiators, but that Canada offered up the so-called fifth freedom, the rights of the Americans to stop off in Canada and pick up Canadians and take them on to a third country.

Given the fact that we saw during the free trade negotiations that this government cannot be expected to work on behalf of the Canadian people, and we are now seeing what is happening with the open skies negotiations, I want to ask this minister, through you Mr. Speaker, if it is not now time to do what the Americans did a number of years ago and walk away from the table while we still have a domestic industry.

• (1440)

Hon. Shirley Martin (Minister of State (Transport)): Mr. Speaker, the fifth freedom rights are a standard agenda item for any international discussion, whether it be with the United States, with the United Kingdom or with any other country.

We will walk away from the table when the agreement is not good for Canada. We will stay at the table until we get one that is good for Canada.

THE ECONOMY

Mr. Jim Peterson (Willowdale): Mr. Speaker, this morning Statistics Canada reported that retail sales for July were down from June, were down substantially over May, and were down 5.3 per cent over the year.

Just last Friday in this House the Minister of Finance declared, and I quote: "Consumer confidence is up". Can the minister explain how consumer confidence can be up when consumer purchases are down, or was he just wrong?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the statistics that I have show that consumer confidence was up by 11.7 per cent and business confidence was up by 17.3 per cent.

Mr. Jim Peterson (Willowdale): Mr. Speaker, that is so-called confidence that is not expressed through the dollar and through purchases. Canadians are not prepared to put their money where the minister tells them they should be putting it, because they have no confidence in him.

In spite of lower consumer spending, in spite of a ten-year record fall in the trade surplus, and in spite of rising unemployment, our dollar continues to go up. How many more jobs must be sacrificed in the name of this government's economic policies? Just how much unemployment is too much for this government?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I am not sure what the official policy position of the Liberal Party is. The hon. member who just spoke said that the dollar was over-valued by six cents. I am not sure what the other hon. member who has just asked the question considers the dollar should be. I ask him this: If he has an evaluation, he may want to explain to the House how he would establish that figure, how he would be able to reach that particular figure, and how he would be able to keep it.

Is the hon. member proposing a fixed exchange rate? If he is and if that is Liberal Party policy, why does he not come clean and tell us what he is talking about?

UNEMPLOYMENT

Mrs. Diane Marleau (Sudbury): Mr. Speaker, my question is for the Deputy Prime Minister.

The Deputy Prime Minister knows full well that this government's policies, including the high interest rate and the high dollar, have been responsible for the loss of at least 209,000 jobs in Ontario alone since March 1990. When will the Deputy Prime Minister realize that you cannot have reconciliation in this country if you ignore the unemployed in Canada?

When will he implement the adjustment and retraining programs which were promised over and over again, both during the last election and immediately following it?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, while it is true that there have been some substantial job losses during the course of the recession, and I think in the manufacturing sector that has been the predominant case, but when it is compared to the recession of 1981–82 I think the decline in manufacturing at that period was about 19 per cent and the decline in manufacturing during this period was 11 per cent.

The peak to trough decline during this recession was about 2.8 per cent; the peak to trough decline in the 1981–82 recession was 5.5 percentage points.

Mr. Speaker, we are coming out of the recession. Growth has been registered in the second quarter. That is one-quarter sooner than we had projected. Growth will continue in the third and fourth quarters, and all reliable accounts would lead us to believe that there will be growth in the range of 3 per cent to 3.5 per cent in 1992. Now, that is cause for optimism and that is cause for confidence.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, a week ago the Deputy Prime Minister stated that the recession was over. Now he is saying we are coming out of it. Have you changed your mind?

An hon. member: Right on. He does not know if he is coming or going.

Mrs. Marleau: Let me remind the Deputy Prime Minister that—

Mr. Speaker: I want to remind hon. members to put the question to the minister through the Speaker. The hon. member can finish her question.

Mrs. Marleau: Mr. Speaker, I ask if the Deputy Prime Minister has changed his mind. Just last week there was an announcement of another thousand jobs that were being lost in Toronto at McDonnell-Douglas. When will the government stop ignoring the unemployment disaster that it has created and implement new training and retraining programs?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, what I said and what I will say today is that we have experienced a growth of 4.9 per cent in the second quarter on an annualized basis. We expect growth to be in the order of 2.5 per cent in the third and fourth quarters of this year. We expect growth to range in the area of 3 per cent to 3.5 per cent over the course of 1992. Those are figures that are supported by the OECD and by many other economists. That will give us the fastest growing economy in all of the G-7, if not the OECD.

* * *

SOVIET UNION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, my question is for the Minister of Finance. I have just returned from the CSCE conference in Moscow where we heard first hand about the very serious economic crisis which faces the people in the Soviet Union this winter with widespread shortages of food, power and medical supplies. As Alexander Yakovlev has said: "Empty pans are more dangerous than tanks".

I want to ask the Minister of Finance: Will Canada now show leadership in the G-7 by supporting the urgent request of Soviet leaders, including the Prime Minister, mayors of Leningrad, Moscow and others for major food and other aid now to avert this looming crisis facing the Soviet people who showed such courage, as winter approaches?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, the leadership for the co-ordination of this particular initiative is in the hands of the Prime Minister of Great Britain, John Major, who is the current chairman of the G-7 group of countries. He has been there. My colleague, the Minister for International Trade has been there, our deputies have been there. They are looking at ways and means of

putting together a package, but also, more important, looking at ways and means of distributing such food aid, medicines and other support measures. What is really important is to establish the mechanism.

I think, as the hon. member knows, that the system for distribution is not very sophisticated. Unless there are mechanisms to ensure that the aid, food and medicine get to the right people at the right time, it will go of little value. That co-ordination is taking place and Canada is very much a part of that exercise.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have a supplementary for the same minister. Five years ago the tragic explosion at the nuclear reactor at Chernobyl resulted in thousands of deaths and widespread illness, environmental damage and homelessness in Ukraine, Byelorussia and Russia.

Given this devastation, will Canada respond positively to the urgent appeal which was made last week at the United Nations General Assembly by these republics for a $646 million fund to help eliminate radioactivity from the food chain and to resettle the homeless victims of the Chernobyl disaster?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I can report to the House that in my meeting today with members of the delegation of Ukraine, the president, the minister of health and others, we discussed the exact issue that the hon. member has raised. I pointed out to them our interest to help.

The hon. member would know that on September 20 there was a pledging conference in which Canada participated. I would also draw to his attention that through the World Health Organization and the International Atomic Energy Agency, we have been using our participation and membership there to help.

I also have instructed my officials at the Atomic Energy Control Board and will speak to AECL on whether or not we could help in a technical way the people of Ukraine. The last point I would like to make to him is I discussed this at the IAE at my recent meeting in Vienna, as well as with Canada's membership of the working group of the European Energy Charter in which we are now responsible for chairing the nuclear working committee. We look forward to very close co-operation with the delegation and the people of Ukraine.

* * *

• (1450)

[*Translation*]

MONTREAL'S ECONOMY

Mr. Jean-Pierre Hogue (Outremont): Mr. Speaker, when the Quebec caucus met in Rivière-du-Loup in August, members from the island of Montreal presented a study on Montreal's economic situation. As chairman of the Montreal caucus, I have a question for the minister responsible for the Montreal area.

Could the minister tell the House about the government's latest initiatives to give back to Montreal its assets, its economic advantages, and to restore it to the place it always held and should still hold?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, let me reply on behalf of the minister responsible for the Montreal area who is now with the Prime Minister in Montreal, where Merck-Frosst will announce this afternoon that they will invest over $200 million, raising the number of researchers from 200 to 300. Mr. Speaker, that is a direct result of a policy of this government.

Were it not for this policy and Bill C-22, we would not have had that investment in Montreal. It is thanks to that policy. Mr. Speaker, we know that the situation in Montreal is difficult; we know that very well, but we will try to improve it with policies like Bill C-22.

* * *

[*English*]

THE CONSTITUTION

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question for the Deputy Prime Minister.

The Prime Minister has asked for the co-operation of the national parties in this House when it comes to the Constitution. The government has asked for our good faith and it has pledged to us the spirit of non-partisanship.

In that spirit, the Leader of the Opposition has agreed to be briefed on the government's constitutional proposals this afternoon at 4.30 p.m.

Will the Deputy Prime Minister please inform the House, at what time they brief members of the Business Council National Issues?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, there has been no briefing of the Business Council on National Issues that would be similar in any way to the extent of the briefing that is to be presented to the Leader of the Opposition.

If the House leader of the Official Opposition is interested in continuing the practice of non-partisanship that we have sought to establish on this issue, I would certainly be interested in the opportunity to discuss this matter with him directly and privately. If he has a problem, he knows, as other members of the House do, that all they have to do is raise it with me and we will resolve it.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, the first responsibility of any government is to act in good faith as an agent of all the people. That is why on this side of the House we are alarmed at the reports that the government has chosen to provide a confidential briefing on constitutional proposals to Canada's major business corporations before briefing members of this House or, indeed, provincial premiers.

Will the Minister Responsible for Constitutional Affairs stand in his place and deny categorically that there have been no briefings put forward by him, the Prime Minister's Office, PCO or any other officials for members of the Business Council on National Issues.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): I will not try to rescue the member from his double negatives, but I certainly am prepared to stand in the House and say that I personally have been involved with briefings of the president of the Canadian Labour Congress. I have spoken to the president of the Canadian Federation of Independent Business. Today I have been in touch by telephone with heads of the two territorial governments and with a number of premiers. The Prime Minister has been in touch with a number of other premiers.

I, personally, have not been involved in discussions with BC&I but I have certainly authorized discussions that would ensure that there is a wide understanding in the country of what it is we are trying to achieve with these proposals.

There was an arrangement announced some time ago and established with the Leader of the Opposition and with the Leader of the New Democratic Party with respect to briefings that will be much fuller because of their parliamentary status than that of others.

I am very encouraged by the non-partisan approach that has been taken on this issue by the New Democratic Party. I hope that will be followed by the Liberal Party of Canada.

* * *

COSIC

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Acting Secretary of State for External Affairs or, in his absence, for the Deputy Prime Minister.

My question concerns the COSIC computer boondoggle. Reports over the weekend inform us that this project has now been halted. I want to ask how it is that the government has spent $140 million of taxpayers money on the first phase of a $28 million project, and ends up with something that does not even work.

Hon. Paul Dick (Minister of Supply and Services): Regrettably, Mr. Speaker, the hon. member has not sought the facts. If he had sought the facts, he too would have realized that the reporter made some grievous errors in reporting, because in fact the Fenco Engineering contract of COSIC, and where Fenco was joined by Honeywell, Canac and Digital Equipment, is a project in the first phase of some $38 million, and which was estimated at $42 million with some add-ons.

The over-all project budget will be $56 million of which so far only $53 million has been spent.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I cannot help but wonder what the mystery lobbyist lunch guest is feeling about this project now.

[*Translation*]

I would ask the Minister of Supply and Services whether he is prepared to table in this House a complete report on all cost increases related to this project.

Canadian taxpayers want to know who has wasted their money and why this project is not even working.

[*English*]

Hon. Paul Dick (Minister of Supply and Services): Regrettably, Mr. Speaker, the hon. member did his supplementary and had it prepared before he heard the answer to the first part. This project is within budget and the thing does work. It is at $53 million and not at $56 million. The report was wrong.

* * *

NATIONAL UNITY

Mr. Garth Turner (Halton—Peel): Mr. Speaker, a new study done for the Fraser Institute predicts tough economic times for all of Canada if Quebec separates. If the separatists have their way, says the study, Canadians can look forward to a recession, a trade war, higher interest rates, a stock market crash and a flight of capital from Canada.

My question is for the Minister of Finance. Is this report an example of needless fearmongering, or do Canadians really have some reason to economically fear Quebec separation?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, we hope that is a hypothetical question. We clearly hope that the proposals that will be announced in the House by the Prime Minister tomorrow will set the stage for the kind of debate that we, as Canadians, want to renew the Canadian federation.

I think it is fair to say that if there should be any breakup of the country, all regions in all provinces would be affected in a very negative way because I think if you look at it, Mr. Speaker, you will find that provinces like Alberta, Manitoba, Nova Scotia, Quebec itself, rely to a large extent upon the internal market for their economic activities.

I think at this juncture we would do well to heed the advice of Sir John A. Macdonald, our first Prime Minister, who said 130 years ago, and I quote: "Whatever you do, adhere to the union. We are a great country and shall become one of the greatest if we preserve it. We shall sink into insignificance and adversity if we suffer it to be broken."

I think that is a very profound statement. It was accurate 130 years ago; it is accurate today; it will be accurate tomorrow, Mr. Speaker.

* * *

MALAGASH HARBOUR

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Fisheries. First of all, I want to say the people of Malagash Harbour welcome the recent announcement of the money made available for dredging the harbour. However, this only exacerbates the problem of the Malagash wharf which was substantially damaged in a storm over a year ago.

Will the minister commit that the wharf at Malagash will be a priority and included in the next year's budget for repair or replacement?

Hon. John C. Crosbie (Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I understand and sympathize with the hon. member's position. There has been a dredging project approved for the harbour in the amount of $50,000, the work to be undertaken in October. I certainly hope that we can proceed with the rest of the work next year. However, it will depend upon our budget and regional priorities. The hon. member will certainly get every consideration in connection with his intense representations.

* * *

• (1500)

NATIONAL UNITY

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister responsible for Constitutional Affairs. He said earlier that a number of groups or organizations had received a briefing. I would like to ask him, in the spirit of openness with which we are all trying to approach this issue, if he can tell this House exactly, since we have seen media reports, what media have been briefed, what organizations have been briefed and who exactly has already received the document that is going to be presented to the House tomorrow?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, no one has received the document apart from the Prime Minister, myself and two or three of the ministers who have been centrally involved in the com-

mittee. There was, of course, a last discussion last night on the part of ministers of the whole cabinet.

The document, to my knowledge, and I am sure that I would know, has not been circulated to anyone else. I have made arrangements to have the document delivered by special courier to the head of every government, including the two territorial governments, by nine o'clock local time tonight. That will be after the briefing of the Leader of the New Democratic Party and the Leader of Her Majesty's Loyal Opposition.

With regard to the list of individuals, I should perhaps make a distinction between the kind of briefing that the hon. member will receive later today and the conversations that have been had with a number of people outside government. We have indicated in fairly general terms to a number of organizations, including as she would know the Canadian Labour Congress, where we intend to move in this document. But the document has not been circulated. It will come first to the House of Commons, with the exception of those 12 copies that will be sent, as I am sure the House would agree would be appropriate for them to be sent, under embargo to the premiers and heads of government of the provinces and territories.

* * *

[*Translation*]

MONTREAL'S ECONOMY

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, my question is directed to the new minister responsible for Montreal. Last Wednesday, all the members from the Montreal area who spoke on the economy of that area considered the feasibility study concerning the very-high speed train, referred to in French as the TGV, as a priority to promote economic recovery. Can the minister tell us today if the federal government is willing to take part in this study alongside all the other interested parties?

Hon. Marcel Danis (Minister of Labour): Mr. Speaker, speaking on behalf of the minister responsible for Montreal who, as I said earlier, is consulting with the Prime Minister about an important announcement, I can tell my hon. colleague from Rosemont that, if I remember correctly, 48 of the 66 recommendations that came out of the Montreal Economic Forum were passed on to this government. I can assure him that all of them will be given due consideration, including the one he has just mentioned.

* * *

[*English*]

PRESENCE IN THE GALLERY

Mr. Speaker: I draw the attention of hon. members to the presence in the gallery of His Excellency Leonid Kravchuk, Chairman of the Supreme Rada of Ukraine.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the Government's response to 10 petitions.

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

* * *

[*English*]

CITIZENSHIP ACT

MEASURE TO AMEND

Hon. Warren Allmand (Notre-Dame-de-Grâce) moved for leave to introduce Bill C-285, an act to amend the Citizenship Act (oath of allegiance).

He said: Mr. Speaker, in order to become a Canadian citizen under the existing Citizenship Act, an individual must pledge allegiance to Her Majesty Queen Elizabeth II, her heirs and successors.

This bill to amend the Citizenship Act would require a pledge of allegiance to Canada and the Canadian Constitution.

Motion agreed to, bill read the first time and ordered to be printed.

CANADA ELECTIONS ACT

MEASURE TO AMEND

Hon. John Bosley (Don Valley West) moved for leave to introduced Bill C-286, an act to amend the Canada Elections Act (addition to the official list of electors).

He said: Mr. Speaker, members will remember during the last election the difficulties we all faced with electors who had been left off enumerators lists and were not able to vote on election day because they were deprived of their right to vote.

The purpose of this bill is to make sure that such a travesty, such an abuse of democratic rights, will never happen again in federal elections.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA REFERENDUM AND PLEBISCITE ACT

MEASURE TO ENACT

Mr. Patrick Boyer (Etobicoke—Lakeshore) moved for leave to introduce Bill C-287, an act respecting referendums and plebiscites in Canada and questions of public importance.

He said: Mr. Speaker, referendums and plebiscites are a rare, but very important instrument of direct democracy in Canada. Two, in fact, are under way in Saskatchewan and British Columbia at the present time. However, at the national level we do not have in place the enabling legislation. Although we have a Canada Elections Act for elections, we do not have a referendum and plebiscite act for direct voting.

The purpose of this bill is to provide the enabling legislation for direct votes at such times as Parliament would authorize.

Motion agreed to, bill read the first time and ordered to be printed.

[*Translation*]

FOOD AND DRUGS ACT

MEASURE TO AMEND

Ms. Sheila Copps (Hamilton East) moved for leave to introduce Bill C-288, an Act to amend the Food and Drugs Act (list of ingredients).

She said: Mr. Speaker, I would like to take a few minutes of the time of this House, if I may, to introduce for first reading this bill of great significance for many families with members who suffer from allergies.

[*English*]

This bill is similar to one I introduced in the last Parliament which was passed unanimously but which unfortunately died on the Order Paper. It deals with food labelling for people who suffer from life threatening allergies. It would require restaurants to have available a every specific listing of ingredients. This would save lives.

In particular I would like to recognize the work of Mrs. Betty Taylor on this bill. Her son Christian died as a result of eating nuts in food that was not properly labelled.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1510)

REMEMBRANCE DAY ACT

MEASURE TO ENACT

Mr. Ron MacDonald (Dartmouth) moved for leave to introduce Bill C-289, an act to provide that Remembrance Day be included as a holiday in Public Service collective agreements.

He said: Mr. Speaker, I will only take a moment to inform the House of the intent of this bill. It appears that the farther we get from times of conflict in which Canadian lives have been lost in pursuing peace or in collective action against an aggressor, the concept of Remembrance Day as a holiday for all Canadians to remember the contributions that people have made becomes in peril.

It has come to my attention, and to the attention of other people in the House, that Remembrance Day is not a compulsory holiday for purposes of employees under the Public Service Staff Relations Act. If passed, this bill would ensure that Remembrance Day in perpetuity would be a statutory holiday for all of those contracts negotiated under the Public Service Staff Relations Act.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

GOVERNOR IN COUNCIL

MEASURE TO ENACT

Mr. Pat Nowlan (Annapolis Valley—Hants) moved for leave to introduce Bill C–290, an act respecting access to information on Governor in Council appointments.

He said: Mr. Speaker, I very briefly would like to introduce this bill. I am glad to have leave to introduce it. It would provide more information on Governor in Council appointments. Specifically, I think it has been an anomaly and part of the problem of the malaise in the land that in Governor in Council appointments, cabinet appointments, the salaries paid to people who are paid by the public purse never seem to really get into the public domain in the way they should.

This bill and philosophy is: He who pays the piper, that is the taxpayer, should at least hear the tune of what he is paying and I hope it passes in due time.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADA SHIPPING ACT

MEASURE TO AMEND

Mr. Ross Stevenson (Durham) moved for leave to introduce Bill C–291, and act to amend the Canada Shipping Act (discharge of ballast waters). He said: Mr. Speaker, the purpose of this bill is to prevent the further infestation of foreign organisms into the Great Lakes ecosystem by establishing mandatory regulations for the exchange of the ballast water of ocean going vessels proceeding through the St. Lawrence Seaway into the Great Lakes system.

PETITIONS

ESTABLISHMENT OF UKRAINIAN DAY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the folks of Atikokan will be quite pleased that you get their name first.

I have the honour to present two petitions today. The first one is very timely given the visitor in the gallery earlier.

The residents of Thunder Bay who attend the Holy Cross Ukrainian Church have petitioned this House pointing out that Canadians of Ukrainian descent have a long and proud heritage. They have made a tremendous contribution in building our country.

The Canada–Ukrainian route should be better recognized by the federal government. The petitioners point out that September 7, 1891 is the date marking the arrival of the first Ukrainians to Canada. They call upon Parliament to declare September 7 Ukrainian Day in recognition of the rich heritage and enormous contribution of Canadians of Ukrainian descent.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I also have a petition signed by residents throughout northern Ontario; Kenora through to Timmins, Porcupine, Keewatin and Longbow, Ontario.

The petition calls upon Parliament to support the NDP plan to restore VIA Rail service which was cut on January 15, 1990 to maintain and where appropriate up–grade service on which many Canadians rely, provide a legislative mandate for VIA Rail and make available to VIA the resources which it needs to become a modern passenger rail system in a class with those of the rest of the western world.

UNEMPLOYMENT INSURANCE

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I have a petition signed by a number of Canadians.

The petition refers to Bill C–21 in which the adoptive parents have been discriminated against whereas their leave has been reduced from 15 to 10 weeks while at the same time it has increased when it comes to biological

parents up to 25 weeks. That is 15 weeks maternity plus 10 weeks parental leave.

These constituents have referred to the fact that the cost to the Canadian taxpayers for providing equal benefit for adoptive parents would be only about 6 cents a year.

The petitioners are asking the House of Commons to ask the government to deal with this issue as quickly as possible and to put some equity into the system.

IMMIGRATION

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I am pleased to present a petition today from several members of the Oshawa Polish community who are concerned about a number of people who are labelled by the Minister of State for External Affairs as self-exiles.

The petitioners are simply asking the government to speed up the processing of the outstanding self-exiled applications, to remove the quotas which have applied to them and to apply the traditional sunset provisions so that these people may become productive Canadian citizens as soon as possible.

UNEMPLOYMENT INSURANCE

Mr. Sergio Marchi (York West): Mr. Speaker, I too rise in my place with my friend from Ottawa Centre to complain bitterly on behalf of Canadians who have signed my petition which urges the government to review Bill C-21 which in effect has reduced the leave provided to adoptive parents compared to increasing it for biological parents.

The petitioners are basically saying that the needs of an adopted child are the same if not more than for a biological child. We ought not to discriminate against parents who are adopting. The issue is the care provided for the adopted children.

The petitioners and our party have urged this government in the past—they continue to do so—to rethink and re-evaluate Bill C-21. The government should ask itself if it is true that an adopted child is less important than a biological child.

GOODS AND SERVICES TAX

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to present to the House a petition containing the signatures of several hundred people.

The petitioners are calling upon this government to come to its senses and to rescind the regressive goods and services tax.

• (1520)

[*Translation*]

The Acting Speaker (Mr. DeBlois): We now come to Questions on the Order Paper. The hon. member for Champlain.

Mr. Saint-Julien: Point of order, Mr. Speaker.

The Acting Speaker (Mr. DeBlois): The hon. member for Abitibi on a point of order.

Mr. Saint-Julien: Mr. Speaker, can the member for Abitibi table petitions in the House of Commons? I have risen almost every time and you did not recognize people on this side of the House, only those in the opposition.

The Acting Speaker (Mr. DeBlois): The hon. member can surely table a petition as any other member can. I would point out to you that I took 15 seconds to look around and I saw no one get up.

That said, I am pleased to return to Presentation of Petitions and to recognize the hon. member for Abitibi.

CANADA LABOUR CODE

Mr. Guy Saint-Julien (Abitibi): Thank you, Mr. Speaker.

I have the honour to table a petition signed by people from Rivière-Héva, Amos, La Sarre, La Motte, Saint-Mathieu, Saint-Félix d'Alquier in Abitibi. They humbly ask Parliament to seriously consider the deficiencies of the Canada Labour Code when it reviews that legislation and to recognize the need to include clauses on preventive paid leave for pregnant women.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I move that all questions stand.

The Acting Speaker (Mr. DeBlois): Shall the questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-32, an Act to amend the Canada Assistance Plan, be read a second time and referred to legislative committee F; and the motion of Mr. Vincent (p. 2536).

The Acting Speaker (Mr. DeBlois): When debate was suspended, the hon. member for Ottawa—Vanier had the floor.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, before I start my speech, I first want to wish one of our colleagues, Mr. David Walker, the hon. member for Winnipeg North Centre, a speedy recovery.

[*English*]

I understand, David, that you are under the weather but let us hope that our main critic on this subject matter will be here before this debate ends.

[*Translation*]

Mr. Speaker, the bill before the House is not an extremely complex piece of legislation. It consists of a single section whose purpose is to amend the Canada Assistance Plan. The bill proposes to extend the 5 per cent capping of increases for transfer payments under the Canada Assistance Plan from two years to five. As you know, Mr. Speaker, capping applies only to those provinces who do not receive equalization payments. I am referring to Ontario, British Columbia and Alberta.

Mr. Speaker, the purpose of the Canada Assistance Plan is to help the provinces provide welfare payments and services to the needy as well as social welfare services aimed at relieving, eliminating and preventing the causes or effects of poverty, child neglect or welfare dependency.

Mr. Speaker, this is a worthwhile program that is part of our Canadian way of doing things, part of our national fabric, a program that is extremely important because it enables those who are better off to help those in need.

[*English*]

The Canada Assistance Plan is our safety net of last resort. It makes it possible for provinces to provide basic income to close to two million low-income Canadians. These people are in this situation, not by choice but sometimes because they just cannot get out of it. They were born into it and they are having an awful time trying to get away from it.

Many low-income Canadians have been forced out of work, cannot find a job and have used up their unemployment insurance. They must apply for social assistance under this program.

According to government estimates, the three affected provinces, Ontario, Alberta, and British Columbia, will lose $2.135 billion in federal transfers over the next five years, that is from 1991 to 1996. Provincial estimates are much higher than that. Ontario, my province, estimates that the cap on this Canada Assistance Plan will cost Ontario $1 billion this year alone.

The premier of Ontario in an interview reported in *The Toronto Star* on August 16, 1991, is quoted as saying: "Ontario cannot afford literally to put up with the notion that in times of recession, which has hit Ontario harder than anywhere else, that our citizens are going to be even more vulnerable than others".

By moving with Bill C-32 the Conservative government is leaning toward the new social services proposed by some right-wing groups, the Reform Party among others, which call for a reduced government role in social services and leaves the burden to non-governmental agencies, business volunteers, families, assuming all the time that the government's share of carrying this load is not a public responsibility.

We in this party disagree strongly with the policy put forth by our right-wing partisans in this country.

[*Translation*]

In this context, Mr. Speaker, the purpose of the bill is to transfer the tax burden to the neediest in this country. Our social security safety net is one of the key elements of our country's social security system.

I may remind hon. members that welfare and social service recipients include, first of all, children who have been removed from parental custody or who need protection because they have been abused or neglected. This group also includes the physically or mentally disabled. There are also single parent families. In Ottawa—Vanier, in my riding, 20 per cent of all families are single-parent families, and 85 per cent of these are headed by mothers with children. Then we have the

unemployed. In the Ottawa area, the unemployment rate for August was 7.3 per cent, the highest rate ever for that month during the past five years. Finally, we have families and individuals who are in dire straits and low-income workers.

Mr. Speaker, my statistics are taken from government documents, from StatsCan. These are public figures, and I imagine they are reliable.

According to the Ottawa-Carleton Social Planning Council, a body which has considerable credibility at the regional level, 16,500 people were on welfare in July 1990 in the Ottawa-Carleton region, an increase of 21 per cent over the same period during the previous year.

From 1984 to 1988, the total tax burden for a two-income family with two children and a total income of $26,000 increased 39 per cent—which includes federal, provincial and municipal taxes—while the tax burden of high income families earning about $100,000 increased only 11 per cent.

In 1988, 40.5 per cent of single-parent families earned an annual income of between $10,000 and $20,000; 23.9 per cent of these families earned an annual income of less than $10,000. These figures are from StatsCan, Mr. Speaker. The poverty rate is 33 per cent among single mothers and 12 per cent for single fathers. I am talking about single-parent families.

• (1530)

In Ontario, a family of four with two incomes from full time jobs at minimum wage cannot possibly have enough to stay above the poverty line. That is serious, Mr. Speaker. I would even say it is sad. The poverty rate of families with children where the head of the family is under 25 is 55 per cent.

The reduction in the number of middle-income jobs combined with an increase in the number of low-paying jobs, as was revealed in a recent study by the Economic Council of Canada, does not augur well for these families. In its report entitled *The Other Side of Fat City: Child Poverty in Ottawa—Carleton,* the Social Planning Council of Ottawa—Carleton stated that an alarming number of children are affected by poverty in this region. Fourteen per cent of children under the age of 18, or 19,000, are living in poverty, Mr. Speaker and 17 per cent of children under the age of six, compared to 13 per cent for children between the ages of 6 and 17.

Families are increasingly dependent on food banks and soup kitchens. The rolls of welfare recipients are growing and too few decent jobs are created to help these people. This government has cast them into a mould that many will have a hard time getting out of. Unemployment and welfare are becoming the rule, and employment, far too often, the exception.

In 1988, there were 945,000 poor children in Canada. While Ontario is among the wealthier provinces in the country, it also has the largest number of children between 0 and 14 years of age, or 34.7 per cent, based on figures from Statistics Canada again. In Vanier, a city in my riding, there are reportedly 935 poor children. Even in ritzy Rockcliffe, there are 15.

On May 28, 1990, the Prime Minister signed the World Declaration on the Survival, Protection and Development of Children on behalf of Canada, thus committing this country to the reduction of poverty.

The Secretary of State for External Affairs who, I notice, is with us today recently quoted the Secretary General of the UN, Mr. Javier Perez de Cuellar, as saying—I do not have the exact reference, but I am told the quote is from the minister. She said, quoting Perez de Cuellar: "The way a nation treats its children shows not only the compassion and kind protection it is capable of, but also its sense of fairness, its concern for the future, its desire to provide future generations with a better life." It goes without saying that what goes for the international community should go for individual nations.

Mr. Speaker, the numbers reveal a sad state of affairs. When we look at the facts, there is no doubt we have a problem in this country. All the same, this government is introducing a bill which is going to create problems here, in Ottawa—Carleton, in Ontario as well as in British Columbia, but refuses to share the tax burden with the provinces.

[*English*]

According to an article in *The Ottawa Citizen* dated December 10, 1990, infant mortality rates among poor children are twice as high. Accidental deaths are twice as common, and deaths from infectious diseases are 2.5

times more common. In 1986, the high school dropout rate among poor children in Canada was 2.2 times the rate among children from non-poor families.

[*Translation*]

Mr. Speaker, according to the National Council on Welfare, health and higher education together account for about 11 per cent of the total value of goods produced in Canada. In Ontario, about one student in three drops out before completing 12th grade.

[*English*]

In his budget of February 26, 1991, which announced this measure that we are dealing with today, the Minister of Finance at the time said:

> There are worrying signs that our education system may not have kept pace with the needs of a competitive economy in the 1990s. As many as 30 per cent of our high school graduates are unable to meet everyday reading demands. We have an alarming secondary school dropout rate, almost 30 per cent, and for the most part these individuals are unable to go on to high quality vocational training. Our young people need to have the educational training to continue to learn for the rest of their lives. Whether our secondary school system is in tune with the 1990s is by no means certain.

This bill cuts right into training, right into educational programs, by cutting federal contributions.

In that same budget the government cut funding for education and health care. I could go on and give details on those cuts, but I will expect somebody to ask me questions because that is a very important part of the debate here today.

[*Translation*]

The Conservative government treats education as a government expense instead of considering it an investment in our future. With less money and the government cutting funds for education, we will have fewer skilled and qualified workers to meet this global challenge of being competitive, of being able to produce, of being people whom the international market wants to deal with.

The less competitive we are, the more unemployed and welfare recipients there will be, obviously. The more we can compete, the wider the labour market is, the more our young people will be able to find fulfilling work. More access to the labour market means fewer dropouts and fewer social problems. Ignorance is expensive, Mr. Speaker, quite a bit more expensive than education. As we said in the GST debate, taxing books encourages ignorance. It is bad, not good!

Of course, we must not expect results in the short term. An educated, well-trained labour force takes several years to develop.

The need for social assistance and services will continue to grow during this recession, caused largely by this government's disastrous policies. I need not mention all of them, because the litany is quite long. We come back to free trade, the goods and services tax, changes to unemployment insurance, the high interest rate policy, the overvalued dollar and so on, Mr. Speaker.

In my riding this summer, people knew what it was all about when we talked to them about the problems concerning Canadians. They said, "First and foremost the economy, Mr. Gauthier. Make sure I have a job. Make sure they don't tax all I've got in my pockets. Then, Mr. Gauthier—Do your job on the Constitution, you politicians. Solve that problem!" Well, we will solve the constitutional problem, Mr. Speaker, but as for the economy, we will really have to look into it and put forward policies that make investments in education, training and labour force development ones that give us control and make our youth competitive with other countries.

It is no exaggeration, Mr. Speaker, to say that money spent on education is an investment in the future. Not spending on it could cause us serious problems. It is sad to see the cuts made to education in past years.

[*English*]

I want to quote from the Canadian Association of University Teachers.

> Freezes on federal funds for universities will amount to a cut of $3.8 billion for the fiscal year ending 1995. This amount is much greater than annual operating budgets in the Universities of Newfoundland, Nova Scotia, Ontario, Alberta and British Columbia.

• (1540)

A poll in January 1991 by Angus Reid found that 93 per cent of Canadians agree that the federal government should continue to fund higher education. Two-thirds believe federal funding should be increased.

I want to give to the House some of the figures. In 1990–91, there were cuts of $321 million. In 1991–92 there were cuts of $581 million. In 1992–93, there will be $755 million cut and in 1993–94, $966 million. In 1994–95 the cut will be $1.205 billion. It is a sad state of affairs.

[*Translation*]

Mr. Speaker, speaking of this bill, one cannot overlook the fact that there are people in need, that there are problems in our society. And again, going back to the National Council of Welfare, no federal government has ever intended to forget about its commitment towards the disadvantaged people. I repeat, up until now, no government has ever intended to give up its commitment towards the disadvantaged. The conservative government is doing it and is likely to continue to do so. What a shame! It is absolutely unacceptable!

Our society has all the powers, all the resources needed to ensure that all families have enough money to provide food, clothes and a home for themselves. All this government needs is a sound management. As far as I am concerned, I will speak again, when I have the opportunity, to the incapacity of this government to even look after the day-to-day business! They are unable to do it and I think it is quite sad.

[*English*]

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to thank my colleague from Ottawa—Vanier for a very thoughtful and thorough discussion.

What has become clear in his and in other speeches on this bill is that we have significant readjustment of society going on here in which those who are doing very well continue to do better, thank you, and those who are not doing so well will be worse off.

That is happening in a number of domains. We see the deficit and the debt used as the excuse for depriving those who most need the support of society. We see a continual move toward the privileged class and an under class in Canadian society.

I wonder if my colleague might care to comment on the kind of mismanagement of the finances of the country that he feels lie behind this trend which I think Canadians in general reject totally, having been always a society that was committed to sharing and to the development of the potential of every individual Canadian.

I wonder if the hon. member for Ottawa—Vanier would have some more comments on that.

Mr. Gauthier: Mr. Speaker, I thank the hon. member for her question.

I wish I were in my office. I have a paper there which I read recently which said that the rich are getting richer and the poor are getting poorer.

To sustain that statement, it showed that the rich have more disposable income today in 1991 than they had four or five years ago. That is possibly due to some Tory policy. Maybe that is the name of the game, but the poor's share of the national pie, if I may call it that, is going down.

I am saying to this government: Show some heart. Be caring about Canadians. Do not cut into the social programs of this country. It is the wrong thing to do.

Over there I know there are sensible people who have their hearts in the right place. I appeal to them to vote against this bill because this is the start, the erosion, of our national framework of understanding among Canadians and that basically is that we share the good times and the bad times. We should share with those who are having a hard time at this time. There are 1.5 million unemployed out there, and possibly .5 million who have left unemployment insurance because they cannot get it any more.

My colleague from Gander—Grand Falls knows all about that because he has a high unemployment rate in his riding. It is a sad state of affairs when you cannot get a job. That is what Canadians are asking for, not more, not less. Get them a job.

Here we are talking today about cutting into those programs which help those people who cannot get a job, who have no unemployment insurance but have to depend on social assistance programs. I hope this government comes to its senses and votes negatively on this measure.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am pleased to enter the debate this afternoon on Bill C–32, an act to amend the Canada Assistance Plan, which in effect will extend to 1995 the 5 per cent cap that has already been imposed upon federal transfer payments in the social welfare and social services field.

The government brought forth the original bill and is now bringing forward Bill C-32 with the argument that this will help the country somehow turn around this horrendous public debt which it has accumulated over the years, will reduce the current account deficit and, through fiscal restraint, will put the government books back in order.

On the surface this is a compelling argument. Whenever you mention the evils of debt to individuals, to families, to family heads, you immediately get a very positive response and people will agree that debt is a bad thing, that debt has a very negative impact, as we say today, on one's emotional or psychological health, and that debt is something that drags the family or the individual down and drags a nation down.

Nations have been living with debt for a long time. While I am not saying that debt is a good thing, I think we have to look at the causes of debt and a whole variety of ways of dealing with its reduction. I will get to that in a few minutes.

As I approach the main subject of my address this afternoon, I wish to remind my hon. friends of certain characteristics we have developed in this country with successive governments down to but not including the present one through which we have established a way of life in this country, at least until a few years ago, that was considerably different in many respects from the way of life of our American friends and neighbours to the south.

We have chosen to put community first. We have chosen to use government fiscal policy to redistribute wealth. We have chosen to establish programs financed by the federal government to assist people to cope with day-to-day problems, problems related to public education, problems arising out of the concerns of those who manage public transportation, public health and health care, which we call medicare in this country, and the social services in the country to help those who are less fortunate or who fall upon adverse times in their personal lives, such things as workers' compensation at the provincial level, unemployment insurance at the federal level, even to the point of using federal funds to retrain people for the ever changing work place.

All of these things cost money. In Canada, at least until a few years ago, Canadians were prepared to pay the bill through their taxes, whether they were federal or provincial or municipal taxes. In the last two or three years this whole assault on the public debt by this government, revolving around fiscal restraint to bring down the public debt, has created a fear in the country that we cannot spend anything any more, or that these very worth-while programs have to be curtailed or reduced and some actually eliminated.

• (1550)

I do not think the people opposite, our colleagues on the government benches, really understand the social impact, to say nothing of the emotional or psychological impact, that this deficit fighting is having on our country. While we may be reducing current account deficits a little bit each year, the public debt in this country on the one hand is increasing. It is now estimated that it will be at least $400 billion by the end of this fiscal year and possibly $420 billion. On the other hand, a lot of these social programs that made Canadians different from the United States are now being subject to market force constrictions or marketplace limitations.

In other words, this government wants to treat social problems the same way as a corporate financier or a corporate manager would treat a corporate problem.

I am suggesting to you, Mr. Speaker, that that cannot be done because what is happening—and I have said this before in other speeches similar to this one dealing with social and economic issues—is that this is leading to an assault on the middle class. It is leading to an assault on middle class institutions. Public transit, for example, is being destroyed by government policies. VIA Rail is one specific example, as is the cabotage problem in terms of the airlines and the privatization of Air Canada. These are basically middle class institutions.

In our public school system, while we do not see decay at this point, we do see a tremendous negative impact in terms of financing. What the federal government does not provide directly or indirectly from Ottawa the local ratepayers are having to cough up at the municipal or local levels in order to keep their schools open and their high schools functioning.

We have the problem of public education. We have medicare, where it is being suggested that user fees be introduced in order to defray a portion of the cost. I can afford user fees, but medicare was originally used to help all of the people, particularly the disadvantaged and low income earners as well as the middle income earners. When you bring in user fees all in the name of fiscal restraint, you are mounting yet again another assault on

a community based program. The community here of course being the entire country.

This government is doing everything it can to attack the middle class and middle class institutions. You may think this is somewhat outrageous, but all one has to do is look at what is happening in the United States with the same marketplace orientation to solving social problems. There you do see the decline of public transit, of public schools, of public or state universities and colleges in some areas of the United States.

Of course they have never been able to come to grips with public or state sponsored medicare. That is why you have such a divergence in private insurance programs in that country.

By way of introduction I simply want to say that we should be very careful in assessing the psychological, emotional and social impact of legislation such as Bill C-32, all in the interests of sharpening our pencils and balancing budgets. A country is not made up entirely of a budget. It is not made up entirely of dollars and cents. It is made up of people who have people problems, and we have to bring more to those problems than simply an accountant's approach, more than just a business approach. There are some things in this life that the marketplace cannot handle. The marketplace cannot handle many of the social programs that we and our predecessors on both sides of this House have fought for for years to improve the standard of living for our fellow citizens.

I cannot help but see in Bill C-32 yet another plank in this government's right wing corporate agenda. It is just one more piece of evidence that the corporations, the tax system, the rich in this country are not going to be hurt or hindered by this deficit—either the national account, the national public debt or indeed the annual current account deficit. It is really an attack on those least able to cope with the financial problems, both at the personal level and at the national level today.

The 5 per cent cap on government spending on social programs through the Canada Assistance Plan continues, but we have been running inflation rates in excess of 5 per cent for the last two or three years. Some have come in just about 5 and then 5.2 per cent. The deficit this year is expected to go as high as 6 per cent on the total annual basis.

How does this impact on the provinces? If the inflation rate is 6 per cent and the cap is at 5 per cent and we are in a recession where more people are unemployed, there are lower tax revenues coming in at the provincial level and lower corporate tax revenues coming at the provincial level. It means that the provincial governments, particularly Ontario which has been hardest hit by this recession, as well as Alberta and B.C., will probably have to borrow. In fact Ontario has had to borrow on the public money markets in order to find the funds to pay the increase in costs for these social measures.

And we saw a deficit budget that came in, in Ontario last May, projected to go as high as $9.7 billion. But of that just one item, $1.6 billion, was the direct result of the cap on the Canada Assistance Plan—$1.6 billion. There was about $2 billion that the previous Liberal government had not even accounted for. There is about one-third of that budgetary deficit right there.

I suppose Canadians would not mind all that much if everybody were asked to pay his or her fair share of taxes in order to cope with these deficits. But that is not the case, as you and I know, Mr. Speaker. For example, during the years 1986, 1987, 1988 and 1989—four boom years in this country when corporate profits increased by 34 per cent—the corporate taxes in this country declined by 20 per cent. Now we are not expecting corporations to pay higher taxes during periods of economic downturn, when sales are down, productivity is down, when they are going through layoffs, adjustment or rationalization programs or whatever the buzzword is now. But those were boom years, four or five years in this country when profits soared by 34 per cent and corporate taxes went down, down, by 20 per cent.

But during those same four years those in the second lowest income bracket, the second lowest quintile I think they call it, saw their personal taxes go up by 1.1 per cent. In the highest quintile, the highest 20 per cent of income earners in this country, their income taxes went up by

only .9 per cent from 1986 through 1989 inclusive. The second highest group went up by only .3 per cent.

Now, is that tax reform? Is that the way it should be? Should those who are in the lower income bracket see their taxes go up the highest while those in the upper income bracket see their taxes go up at a much lower rate? That is not tax reform. That does not give credibility to this government. That is one of the major causes for discontent in this country today and one of the major reasons why this government is stuck at 12 or 15 or 16 per cent in the polls.

• (1600)

It is because of the unfairness of the government's programs. It masquerades as reformers, and when you cut through all the fancy words and language you find out that whatever the reform is it is not fair. What it is doing, either in the name of fiscal restraint on the one hand, or in promotion of the private corporate sector, the private corporate sector is not paying its fair share of the costs.

For example, Bill C-32 is going to slash transfer payments to the provinces in the field of social programs, but of this whopping deficit that we have only 6 per cent is caused by spending in the social envelope. According to Statistics Canada—and that first figure I gave was from Statistics Canada—tax breaks to the rich individuals in this country and to the corporations accounted for 44 per cent of the debt in this nation. Today, those rich people in this country and those corporations have the same loopholes of tax deferment that were existent in the laws of the land 10 or 15 years ago. They can still shelter their taxable incomes and they can defer spending their taxes forever and ever. Corporate lawyers know this.

There is no point talking about a minimum tax in this country. We have not got it for that matter, as long as you have tax loopholes where you can defer paying your taxes. Corporations still list tax deferments, not on the liability side of their annual reports but on the asset side. They are using tax deferments as an asset. Nothing can be more blatantly obvious as proof of my argument.

This government is misleading the people of this country again by saying that we have to tighten our belts in the social envelope to get the debt down, and yet only 6 per cent of that debt is caused by spending in the social envelope of social programs and 44 per cent of the debt is caused by tax breaks to the rich and by corporations being able to defer and write off all kinds of moneys that normally should go in the form of tax revenue to the federal government.

What we are seeing is not only an assault on middle class institutions and middle income earners and low income earners, but this is having a very negative effect on the people as a whole. They are turned off by government. They are turned off by lies by politicians. They are turned off by duplicity. They are turned off by programs that are supposed to be reform programs but turn out only to be masquerading as reform programs, bringing in more and more unfair and inequitable pieces of legislation that affect people differently. The rich are getting richer, as the saying has always been, and the poor are getting poorer.

This Conservative government seems to be powerless to do anything about it. It knows its time is running out, perhaps at the most a year or a year and a half to go in this Parliament, and it refuses to see and appreciate the problem. We also realize that this particular Conservative government under this particular Prime Minister is probably the most ideological Conservative government, in fact the most ideological government I would suggest that this country has had in the 20th century, certainly since R. B. Bennett. I do not think there is any question about that. If it does not fit the marketplace then it does not fit period; that is its motto.

Privatization, deregulation, the free trade agreement as it was written, the GST which is a tax that hits everybody equally at 7 per cent—it could be 9 per cent or perhaps on the eve of the next election it might even be 5 per cent—are all measures that will actually widen the disparity between those who possess and those who do not possess, between those who have a reasonably comfortable life and those who have a life of constant struggle.

Is it any wonder that the premier of Ontario, not in an ideological way but in the interests of promoting national unity, has suggested that transfer payments, medicare and social programs are just too damned important to be left in the hands of any one single government, that they should be enshrined in the new Constitution, and that we should have a social contract or a social clause in our Constitution?

It is not just rhetoric. It is not just words. It would at the very least give all Canadians, rich and poor but particularly the poor and the middle income earners, a guaranteed vested interest in that Constitution to make certain that the Constitution comes forward and that we maintain national unity in this country, whether it is francophone or anglophone, whether it is in New Brunswick or in Alberta.

That is what this party is pleading for. That is what the premier of Ontario is suggesting. I commend it to this government and to the Prime Minister and to the Minister responsible for Constitutional Affairs.

I see that my time has run out, Mr. Speaker. I thank you very kindly.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I think my question will become more or less a comment because the member in his speech has probably answered all the questions that anyone has in this House.

I know the members across the way have not been looking up, have feigned their disinterest and are working away at what they are doing. I know perhaps that they are somewhat embarrassed and ashamed because they certainly would concur with what my colleague has said about the clawback on old age pensions and the end of universality as we know it.

I pay particular attention to the medicare that we are so very proud of in this country. It is so ironic that just the other night I was watching a program that came from the United States narrated by Walter Cronkite who suggested that one in four bankruptcies in the United States is a direct result of medical care: one week in a hospital, $10,000. One in two Americans do not proceed to get the attention that they would require for their medical problems for fear that they cannot afford it. Twenty-five million Americans cannot afford any insurance. Lo and behold, if you do get ill and access the insurance program, you can surely bet that they will cut you off in short order.

It seems strange that we are cutting our medicare program or taking a very serious look at that through user fees, and the Americans on the other side are trying to emulate us. They have actually studied the program and said we are more efficient: "We would like to have what Canada offers". This is sold under the guise by the party in power that it is not an attack on social programs. It is just that we are going to spend more wisely.

The member pointed out the competitive agenda, the market driven agenda. This government says that it is the have provinces that we will not get the transfer payments for. We will reduce transfer payments to Alberta, B.C. and Ontario. I do not know if Ontario can be considered a have province. When you do not transfer to the province then the province must transfer to its municipalities. In the case of my municipality or the riding that I represent, Sault Ste. Marie, just last week the province of Ontario had to give $4 million to the city of Sault Ste. Marie just for back taxes that the Algoma Steel Corporation cannot pay.

The feds just say: "Oh, well, it is provincial jurisdiction because Ontario is well off". We resent that statement very much.

As far as the social contract is concerned, the European Economic Community suggests that a social contract is in order. Why would we not have one in North America?

Before I lose the good graces of the Chair, I do not know if the member would want to elaborate any more on what he has already done.

• (1610)

Mr. Blackburn (Brant): Mr. Speaker, very briefly, I think the main reason why the European community has been able to insert the social contract into the constitution of the European community is because of one man, Mr. Jacques Delors, who I believe is the president. Mr. Delors also happens to be a French socialist. He was determined that the European community would not be dominated in its economics and its economic dynamics by countries like Germany or his own country of France or the United Kingdom or Italy, or the more advanced if you like. He was taking into consideration families and workers, men and women in countries like Portugal, Spain originally, and Greece.

He said: "We do not want to create an economic union here and a trading pact where great multinational and trans-national corporations can trade off countries, where they can say fine, we will locate in Portugal if we can get labour burden down to $5 an hour U.S. We will relocate from Germany down there for the cheap wages". "No", he said, "we are going to contract up so that the poorer countries in Europe will be able to pay higher wages and will stimulate their economies and

their standards of living upward so that nobody can take advantage of and exploit the poorer countries in that organization".

We are in negotiations now with Mexico. I have nothing against Mexico. I love it. It is a beautiful country and I love Mexican people. It has a dynamic culture. What are we doing? We are not putting any safeguards in there for our working families or for American working families. Trans-national corporations are doing it now, racing down to Mexico to exploit Mexican workers at a much lower cost or labour burden to them, which is going to have a profound disruptive impact on the Canadian and American labour markets.

In Europe, Jacques Delors said: "We do not want that and they are not going to get that". Here we are in North America, falling prey once again to that corporate agenda of which our Prime Minister is a slaving supplicant. He sees nothing else but that in his thinking.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, it is a pleasure to rise to participate in this debate today on Bill C-32, an act to amend the Canada Assistance Plan.

I have listened with great care and interest to the remarks of my colleagues on various sides of the House. I cannot help but think that there is a fair bit of misunderstanding as to what is going on, not only in this House but in the government, with the finances of the nation. I could not help but be impressed as I prepared these remarks in reviewing the progress that the government has made over the last seven years in coming to grips with an extraordinary financial mess that it inherited seven years ago from its predecessors.

I have to say this as a member from rural Atlantic Canada, an area that benefits tremendously from federal government expenditures, an area that is greatly concerned about the unity of our country because the breakup of our country would leave Atlantic Canada isolated from the rest of the country. We are highly dependent on the Government of Canada.

That is one of the reasons that we are not too thrilled at the kind of rhetoric that is coming out of the Reform Party these days, when it talks about reducing expenditures across the board by 10 per cent and when it talks about getting rid of things like ACOA, reducing equalization, reducing veterans pensions and old age allowances. My goodness, we are talking in this debate here about capping the Canada Assistance Plan, the growth and expenditures to three provinces so that they can only grow by 5 per cent. We wonder what would happen if the Reform Party and Mr. Manning came into power and everything was cut by 20 per cent. It is a pretty scary prospect for Atlantic Canadians, I must say.

What we have here is a piece in a very well ordered and well structured financial plan to bring back into order the finances of this nation, to ensure the confidence that is so essential in controlling things like interest rates, the rate of inflation and the value of the Canadian dollar that ensures the flow of investment to this country, investment that is the basis for jobs.

There are not walls around the country, but investment and sound finances. Those are the things that are important.

This bill is part of a financial package that really began in 1984, but most recently follows in line with the budgets of 1990 and 1991. I must say I commend it to all members of the House as we come to consider it here today, and indeed in the days ahead.

I think it is important to remember that the finances of this country were very much out of whack. In 1984, we had achieved an accumulated national debt of $200 billion.

Even more frightening was the fact that the national deficit was $38 billion. It had been allowed to run rampantly out of control. That $38 billion actually included a $16 billion operating deficit.

It is important to understand the structure of this debt. The government of that day was actually spending $16 billion more each year than it was taking in. In addition to that, it was paying $22 billion in interest on that $200 billion national debt.

I have people say to me: "What progress have you people made on the deficit? You have only brought it down from $38 billion to $30 billion." On the surface that is true, but let us look at the structure of the debt.

We are now running the government on a $12.5 billion surplus. That is a $28.5 billion turnaround. How has that turnaround been achieved? A certain amount of it has been achieved through increased revenues resulting from tax reform.

Some would say, by increasing taxes. I am not sure. It is more a question of taxes reflecting the growth in the economy. Even more important, it has been achieved through a 70 per cent reduction in expenditures by the Government of Canada.

That is management. That is tightening the belt. That is leading by example. I heard some of my hon. friends earlier saying, as some people say: "Ah yes, but the national debt has doubled since you people have been in power. What accomplishment is that?" Of course, they are hoping that nobody will dig a little more deeply to understand the structure of that debt, because it is a very simple thing.

If you take a debt in 1984 of $200 billion and you do nothing towards bringing that debt down and if you take, say, an average interest rate of 10 per cent per year even though the interest rates were much higher in the early 1980s, even in 1989 and 1990. Through the sound management of this government, I am pleased to note that interest rates have gone down 5.5 per cent in the last year, which is going to be of great benefit to the Canadian economy.

If you compound a $200 billion debt for seven years at 10 per cent and if you just add it up, what does it get you? It gets you $389 billion. If you want to be a little more accurate, it is probably about 11 per cent, then you compound it and you end up with a debt of $415 billion.

Members opposite say that this government has doubled the debt. This government has not doubled the debt. This government inherited a $16 billion operating deficit, turned it around to a $12.5 billion operating surplus. By getting the finances of the nation under control, we are gradually going to get at that $400 billion debt that is the legacy of the Trudeau Liberal government to Canadians.

Thank goodness we have had a government which had the courage and the integrity to tackle that debt. There is no question. Every politician in this House knows that it is much easier to get yourself popular by giving money out than by taking it away. That is the situation.

When we talk about capping the Canada Assistance Plan, what exactly are we dealing with? Speaking from the perspective of an Atlantic Canadian where we are so highly dependent on things like equalization and transfers to the provinces, it is very simple.

If the Government of Canada is going to tighten its own belt, if the Government of Canada is going to do something—

The Acting Speaker (Mr. DeBlois): I apologize. I have a point of order.

Mr. Simmons: Mr. Speaker, there is really no need to apologize. It is quite a legitimate point of order.

My good friend from South Shore is in full flight and all that, but I am sure he would want to recognize that in the energy of the moment, he misled the House.

• (1620)

He talked about a $400 billion legacy of the Trudeau era. He will be aware that the public debt at the time his cronies took over was $180 billion. It is now $400 billion. I will not sit here, Mr. Speaker, and have that member deliberately mislead the House and I suggest you invite him to withdraw.

The Acting Speaker (Mr. DeBlois): Order, please. It is a matter of opinion. Debate.

Mr. McCreath: Mr. Speaker, I am sure my hon. friend from Burin—St. George's will wish to perhaps make his point, invalid though I happen to feel it may well be, when we come to the questions and comments. There is no question that if you take a $200 billion debt—actually it was about $199 point something billion in 1984–85, so my hon. friend might check the budgetary figures and then come back in time for questions and comments and he can make his point.

I would invite him to compound the interest for the last seven years on that debt that the government of which he was a member, left as a burden to the taxpayers and the young people of this country, and come back with an accurate figure of what that debt is, if he wishes to try to dispute the reality of the fact. What we are left with as Canadians is roughly a $400 billion debt. That is a legacy of the government of which he was a member. However, he can come back with the accurate facts and figures if he believes that mine are not accurate.

I was saying before this euphemistic point of order was raised that in controlling expenditures, if roughly 25 per cent—maybe it is 24 per cent or 26 per cent; I would not want to run afoul of my hon. friend opposite— of the expenditures of the government are in fact transfers to the provinces, then what is more reasonable than if we are going to confine expenditure growth, that it should apply equally to transfers to the provinces as to the expenditures and the programs of the Government of Canada itself.

It is important to note that it is not as if this government has not significantly increased the transfers to the provinces. For example, this year total federal transfers to the provinces in cash and tax points will be some $37 billion, up from what was $25.6 billion in 1984–85, which is an average annual growth rate of 5.5 per cent.

At the same time, federal government program expenditures have gone up an average of only 3.7 per cent. This government has asked nothing of the provinces that it has not done in greater measure to itself.

Costs cannot be controlled unless expenditures are controlled. Indeed, if the provinces are not prepared to control their expenditures, but simply feel they can rely endlessly on the Government of Canada to meet their shortfalls, maybe it is appropriate in the interests of the taxpayer that the Government of Canada exercise some control and then leave the provinces free to go beyond that if they so wish.

I listened with interest to the premier of Prince Edward Island on the radio the other day. By the way, he is in contravention of a federal-provincial agreement, refusing to provide legal assistance to anyone charged before the courts. Indeed, there was some suggestion that it would be appropriate that the premier of Prince Edward Island, who is also the attorney-general, be cited for contempt of court. He made the statement in what seemed to me a semi-serious attitude, you know, an unhealthy semi-serious attitude, that what difference does it make if the federal government has a big debt? So what if the federal government has a big debt and the provinces do not have very big debts. So what. The federal government should just continue to let their debt grow. It is all the same taxpayer, he said, it is all the same taxpayer.

Well, if it is all the same taxpayer, let the province that wishes to spend the money, generate the money and answer to the taxpayer for it. This government wants the taxpayer and wants people beyond this country, the investors who are so important to the future of this country, to know that this government acts in a fiscally responsible manner and is going to endeavour to control the expenditures that it brings down.

Are the social programs of Canada put under siege by this government? Some, of course like the immediate speaker before me, the hon. member for Brant, suggested that social programs are under attack. I would suggest that we are not going to have social programs in the future if we bankrupt the nation. At what point does the nation cease to have the ability to govern itself when your national debt is a third of your expenditures as is the situation now? Is it when it is 50 per cent of the expenditures? At what point does the International Monetary Fund come in and say you are not responsible to govern yourselves?

Those are questions we might ask.

The accumulated debt of the provinces in this country is considerably less than the accumulated deficit which was estimated at $30.5 billion last year. At the same time that of the provinces is $9.4 billion.

Where is the Canadian taxpayer federally? You know 33 cents on the dollar is going to pay interest on the debt. What are the situations in the provinces? The average is about 11 cents on the dollar. It would seem to me that we need to tax the provinces which are not paying their fair share. When we look at the provinces that are impacted by this legislation they are not the provinces that are in the greatest financial need. It does not include provinces like the Atlantic provinces, Quebec, Manitoba, and Saskatchewan. What is the situation in those provinces? In Alberta it is 8.3 cents, 11 cents in Ontario, and 4 cents in British Columbia. That is the percentage of expenditures that goes toward the debt. Yet they say that the Government of Canada should continue to run up a debt.

Maybe that is why the Government of Canada has run up a debt because of uncontrolled spending by the provinces.

It is interesting to note that the figure 9.4, which is the combined deficit of the 10 provinces of Canada, is soon going to be blown out of the water by the actions of our friends in Ontario, Mr. Rae and his spending approach. It is going to be interesting to watch. As a Nova Scotian, I am greatly concerned about what happens in Ontario

because Ontario has such a major impact on the economy of this country as a whole and indeed on the economic numbers. Things like inflation and interest rates are driven very largely by what goes on in Ontario.

The message is going out across the land that the Government of Ontario is going to spend, spend, spend with no regard for where the money is going to come from. The Government of Ontario is determined to put that province and the future generations of that province in a financial situation such as this country might have been in had there been no change in approach. If the $38 billion deficit that was inherited here in 1984–1985 had been allowed to continue, we would have a deficit of some $100 billion in this country today. I suspect that if Mr. Rae does not come back down to earth and recognize that he has to exercise some responsibility in the way he governs his province, what we are going to see is Ontario doing its best to rival the federal government in the size of its deficit.

I do not know what the future of that would augur. It will be interesting to look at the reaction of businesses to the proposals in Mr. Rae's budget. I cannot help but wonder what we can expect down the road. I heard earlier today one of my hon. friends from the New Democratic Party pulling out the old saw about the free trade agreement leading to lost jobs. I wonder if he is going to be prepared to stand up and honestly face this House as businesses leave Ontario running from Bob Rae and his approach to economics and the potential impact that they are going to have on the economy of that province.

As new industries, such as the one the Minister of Finance was speaking about today, and new opportunities develop in this country, and as our economy generally becomes stronger I am sure that my friends opposite in the New Democratic Party will continue to try to find opportunities to blame anything that goes wrong on the free trade agreement, even though there is no validity to it whatsoever.

Coming back to the bill more specifically, I think we should take cognizance of the fact that what we are talking about here is limiting the growth of expenditures. We are not talking about cuts. We are talking about limiting the growth of expenditures. There will be no limit on the growth of expenditures in the provinces where the need is greatest. But there will be a 5 per cent ceiling on growth in the three most affluent provinces, at a time when it is important to note that the Government of Canada as part of its budget is also limiting growth in expenditures in federal government programs to 3 per cent. What we have going down here is that the government is being far more generous to British Columbia, Alberta and Ontario than it is being to itself.

• (1630)

What constitutes unreasonableness? Some provinces have resources at their disposal, limited deficits that they either have or inherited when they came into power and limited tax dollars that they have to allocate to paying interest on their debts. If they feel that their growth should exceed 60 per cent more than the federal government is allowing them and the federal government is allowing themselves, then let them find the resources for the revenues.

It amazes me how often I listen to people in this place and elsewhere suggest that the government should spend more money here and spend more money there. They say: "Let's expand this program. Why are we limiting expenditures here and limiting expenditures there? Are they proposing that we further increase the federal deficit, or are they going to propose new tax increases or new taxes?" Sometimes my friends from the NDP will say: "Tax the corporations". That is the solution to every problem. Bob Rae is going to find out he won't have any corporations left to tax if he keeps going the way he started out. There has to be an element of realism. That is what this government has provided, in the way of financial policy, an element of realism in its approach.

Mr. Blackburn (Brant): The Tories in Nova Scotia.

Mr. McCreath: It is very interesting. I should not allow myself to be distracted, but I do wish to comment. One of the really excellent things that has happened in the last year is that we have a government in Nova Scotia under the leadership of the hon. Donald Cameron. He is taking the finances of the province under control to make sure that he does not pass on to future generations of Nova Scotians the type of cycle of debt that exists in the federal government and has taken us so many years to bring under control. It is tough to stand up and take the tough measures, to do what seven governments have responsibly done, one of them being Nova Scotia, and indeed what the Government of Canada has done. We feel that we have a responsibility to the person who pays the piper and that is the taxpayer of Canada, whether

they be from Newfoundland, British Columbia or anywhere else in between.

It would be nice to be able to say spend away all you want, there is no limit to the bottom of the well, but unfortunately there is. We have a government in Canada, a government I am proud to support, that is standing up for Canadians, future Canadians as well as present Canadians, in seeing that our finances are brought under control. One of those areas is the Canada Assistance Plan, and I encourage all members of this House to join me in supporting this excellent bill.

Mr. Derek Blackburn (Brant): Mr. Speaker, I enjoyed listening to the hon. member's speech. However, I want to remind him of just a couple of things.

He accused Premier Rae of spending, spending, spending. The reason why the deficit in the province of Ontario increased so quickly in one year is twofold: (1) the previous government had hidden the facts of the decline in revenues to the tune of about $2 billion and (2) this government, by pulling back through the cap on the Canada Assistance Plan, cost them another $1.6 billion.

But the point I want to make is this: I would like to ask the member how he accepts the fact that this plan will tighten belts and help to reduce government expenditures so that they can get the deficit under control, as he put it, when he knows that under present tax laws $6 billion a year go untaxed at the corporate level in this country—$6 billion.

Second, would he tell this House who would he ask in the province of Ontario to pay for the 14 per cent increase in welfare? Ontario has been severely hit by recession, has lost somewhere in the neighbourhood of 300,000 jobs, largely because of free trade and the high dollar that has been imposed on this country by this government. Would it be ordinary tax paying Canadians on their property taxes, or would it be ordinary taxpayers in their provincial taxes in Ontario? Who is he asking to pick up the tab for that increase of 14 per cent in social welfare payments alone in Ontario?

Mr. McCreath: Mr. Speaker, of course I listened. My hon. friend asked many questions. It is difficult to know where to begin, but I am glad to see that he has not forgotten the rhetoric that has been sort of the gospel of the New Democratic Party for the past three years.

The member says 300,000 jobs were lost from the free trade agreement. I would like to see some accurate estimates of those figures. It is very interesting. I noticed those figures came from a study done by the Canadian Labour Congress. I am really intrigued with the fact that if you look at those figures and you break them all down, you see jobs lost in the Atlantic fishery included there. Is that not interesting? The number of fish in the ocean decreases and guess who is to blame? The free trade agreement.

Some of those job losses are in the tobacco industry. Significant thousands of Canadians have ceased to smoke, so the demand is less. Blame that one on the free trade agreement.

The big area, of course, that the NDP likes to talk about are the reductions in the automobile industry which, of course, are not a part of the free trade agreement. They have the auto pact to look after them.

We can talk about the brewing industry which is a part of those numbers. The brewing industry is explicitly left out of the free trade agreement.

My hon. friend, it is like anything else, you hear enough figures and you know enough of them are wrong that you wonder about the other ones.

My hon. friend is looking for a comment on the dollar and I would be pleased to comment on the dollar. There are two ways to deal with the dollar. I have to tell you, in all honesty, my particular constituency is highly dependent on exports to the United States. I honestly have to tell you that we, on the south shore of Nova Scotia, would very, very much like to see a substantially lower dollar than we have today, but what do we do? Do we have the Government of Canada decide the value of the

dollar or do we do it the way it is supposed to be done? The dollar is high because people outside this country have so much confidence in this country. Is that not a remarkable turnaround from what I hear from my friends opposite.

When we talk about exports, the lower the dollar of course the more we can sell. However, we have to look at competitiveness. We live in a new world. We do not live in the 19th century. We are moving rapidly toward the 21st century and we have to be ready to compete. We have to look at our own productivity. We have to look at wage rates. We have to look at how many people are involved in the process.

They talk about pricing differentials between Canada and the United States and they like to blame it all on taxes or something like that. Well, taxes might be a little piece of it. You then look at the amount of profit taken by retailers, the amount of middlemen along the way, the cost of production, but it is great to be able to poll something in isolation and say: "Ah ha, that is the problem, there is the bogeyman."

The reality with the dollar is that the dollar is high because of international confidence in the Canadian economy. You do not have to take it from me. Look at the reports of the OECD and other internationally respected bodies that look at these things. The fact of the matter is that the high dollar hurts us right now in some areas where we export, particularly exports based on our resources, but it also challenges us as Canadians to become more competitive.

Mr. Steve Butland (Sault Ste. Marie): Mr. Speaker, I do not suggest there is any hope that the member is going to answer any of the questions from this side of the House.

If we can get back on topic with regard to the free trade agreement and social policy, it was the Prime Minister who said that the free trade agreement would enhance social programs in this country. This is a redundant debate and a redundant bill. It is totally unnecessary.

Getting back to the question from the member for Brant, he said: "Who is going to pay in Ontario?" I cite my community again where the federal government said: "Here is a CAP." Sault Ste. Marie, in dire straits, the largest employer in the community cannot pay municipal taxes, $4 million. Who is to pay? The province transferred the funds to the community. The federal government does not participate.

Sault Ste. Marie is not alone. In northern Ontario the unemployment rate is 15 per cent. Who pays? I want the member to answer that question. If the federal government is not going to participate, what role is it going to play and who pays?

• (1640)

Mr. McCreath: I will very briefly answer, Mr. Speaker, because I know our time is just about up. There is a very simple answer to the member's question. The taxpayer pays.

The question is, at the same time the Government of Ontario must manage its affairs with the resources that are available to it. If the demand on the Ontario government in this particular area is greater, well then maybe it has to take a look at expenditures in other areas. That is exactly what this government has done. That is what the individuals you speak of in their homes have to do. That is what I have to do in my home. If I spent 15 per cent more than I took in every year, I would be in real serious trouble.

You have got to cut the cloth according to the pattern. The answer is very simple. The taxpayer is going to pay. It is just as well that it be the taxpayer or the guy making the expenditures as somebody else's taxpayer, but the bottom line is that the public is saying to the governments of the day and to this country: "Live within your means just as we have to as citizens".

I suggest that the Government of Ontario needs to learn that lesson. It could have no better model than this government and the Minister of Finance who is with us here right now.

Mr. George S. Baker (Gander—Grand Falls): Mr. Speaker, I have just a few words on this legislation which is called an act to amend the Canada Assistance Plan. In effect, what it does is reduce the amount of money that is transferred to the provincial governments, three provincial governments in this case, moneys that they use to spend to provide housing for the elderly in the case of a senior citizens' complex or a nursing home. At the end of every month the provincial government, which guarantees occupancy in those nursing homes and senior citizens' complexes, that are subsidized by the govern-

ment, sends in a bill to the federal government and the federal government pays a percentage of the cost.

This bill will reduce the amount of money. It will put a cap on the Canada Assistance Plan. It will put a cap on the CAP. Well, the cap on the CAP not only covers the senior citizens' complexes, but it covers every amount of money that is given out to people under what we call social assistance, and what some people refer to as welfare.

It caps the CAP in three provinces. Why does it do that? The hon. member for St. John's West is here now and he is saying: "Yes, it does this in three provinces".

The reason why this bill is being brought in, I believe, is because they have already put a cap on the other provinces. They have already put a cap on everything that can be capped. In other words, in the riding of the hon. member who interjected a few moments ago, in his province, the federal government has said this year: "We are going to reduce the amount of money that we transfer to your province. We are going to cap it at 3 per cent".

In other words, in the operations of a hospital or in the money for universities, they have been capped as well. To get at the other three provinces which are not given equalization payments, the government decided to cap the CAP. Now everyone is capped. In other words, the cost of running hospitals is capped, the administration of post-secondary institutions—our universities, trade colleges and vocational schools—is capped and now the social assistance departments are capped as well.

When their moneys are capped at 3 per cent or 5 per cent, it means that they cannot pay salary increases of 10 per cent, 7 per cent, 6 per cent or 5 per cent. They cannot buy new machinery and increase the costs of running hospitals.

The hon. member for the NDP made reference a few moments ago to medicare and a program by Walter Cronkite. I saw that particular program. It certainly was a sad hour to watch. There were people who had received two or three treatments of chemotherapy for cancer. They were left not being able to go back to the doctor or the hospital to receive further treatments of chemotherapy because the insurance company said: "Too bad, we are not going to insure you again unless you pay us $20,000 or $30,000."

It was a sad program to watch, and it was a sad reflection on how the United States of America takes care of some people who are caught in the bind of not having a system like we have in Canada.

In that program it gave the numbers on the most modern types of machinery that we have in our hospitals to take care of our sick. It gave examples of a machine like a CAT scan, and it gave the numbers for the United States as compared to Canada.

It was very clear that in the United States they were farther ahead of Canada with the machinery and the new modern methods of dealing with and detecting a disease than we in our hospitals.

I was thinking as I watched that program that we have many instances of that. We have our provincial administrations today and the federal government really cost-sharing to send a great many people to the United States for treatment on various types of machinery in hospitals that we do not have here in Canada, or that we do not have enough of.

I was dealing the other day with a case of somebody who needed the use of what is called a lithotripter machine. That is a machine that is available in Halifax, Nova Scotia, at the Victoria General Hospital. Of course, that is overworked so the provinces send patients either there or to another hospital to where that piece of machinery is.

How can a hospital or a provincial government buy all of that machinery and expand on its facilities when they have been capped by the federal government, when their amount of money has been reduced by the federal government?

The same thing applies to post-secondary education. Here, in this bill, we come to another bad case of reducing money to people who cannot afford to be caught.

Can you imagine, Mr. Speaker, how difficult it is for somebody to live on social assistance today in this country? You can compare the amounts they receive for social assistance right across Canada and you discover that the amounts vary from province to province.

As a general rule, a single person would get about $120 a month to live on. If you are living at home, that varies $70 to $90. The provincial governments certainly cannot afford to cut back any more on those people who are on social assistance.

The federal government, along with these bills, turned around and discontinued the extent of our direct job creation programs.

In other words, Mr. Speaker, you cannot now get on a direct job creation program unless it is connected with the unemployment insurance fund. You have to be drawing unemployment insurance in order to get on to a works program.

What the provincial governments have done is come up with their own program to try to put people on unemployment insurance in order to save money through their social assistance grants and programs that they have available provincially.

• (1650)

The federal government has done this, as the hon. member said a few moments ago, in the name of attacking the national debt. We just dealt with a bill before this Chamber that imposed a 7 per cent tax called the GST and then established a special fund to retire the national debt. That argument presented by the Government of Canada to reduce the payments for social assistance across Canada does not apply today because it claims that now the new GST will do the job for it.

The federal government has even gone beyond capping amounts of money to provinces. Because of this bill passing through the House, three provincial governments will now have to pay money back to the federal Treasury, either in an outright cheque for millions and millions of dollars or they will have to do what the federal government has done with the province of Newfoundland for this year, and that is have the provinces pay back so much at the end of every two weeks.

In other words, for all of this year the province of Newfoundland is sending a cheque off to the federal Treasury to pay back what the federal Treasury claimed was an overpayment made to the province of Newfoundland over the last three or four years.

Perhaps we will see the same thing happen here. Not only are they being capped, not only are they being limited in the amount of money being transferred to them, but they have now been asked to pay back money that was granted to the provinces three, four and five years ago.

I think the federal government should have learned a lesson by now and admit that it cannot cut back in these areas. Of all the areas that could be listed to cut back in, you should never, ever touch health care, education and social assistance. Of the three areas, our hospitals and post-secondary institutions unfortunately have become places for only the well-to-do in our society, the very well-to-do.

The way our student loan system has been structured and now taxed by the Government of Canada, it is very difficult for somebody to go to university unless they have lots of money in the bank or parents who have lots of money to give to them. Now it is attacking not only our hospitals, our students, but the poorest of the poor, our senior citizens and their accommodations and our poor people who are on social assistance today and who cannot make ends meet.

The Government of Canada should hang its head in shame and withdraw this bill and pay to the people on social assistance what they need to keep their heads afloat with all of these new taxes we have circulating in this country.

Hon. Roger C. Simmons (Burin—St. George's): Mr. Speaker, I did not realize that my good friend from Gander—Grand Falls would say so succinctly what he said so well.

However, if you will just give me a moment here, I will get organized.

I thank my friend, the distinguished former Speaker of this Chamber for the coaching. I need all the help I can get at this particular point, as I am sure he is aware.

As my friend from Gander—Grand Falls was saying when he was in full flight a few moments ago, this is just the latest attempt, not an isolated attempt but the latest of several attempts by this government to hoodwink a lot of people.

I recognize the government does not have great difficulty hoodwinking the member for South Shore. He has a vested interest in being hoodwinked.

An hon. member: He is hoodwinkable.

Mr. Simmons: I am far more interested in the people who are being directly pounded into the ground by this particular piece of legislation. It sets about extending that cap on the Canada Assistance Plan.

The devastation that this government is wreaking on ordinary people across this country needs to be quantified if that is possible. If we could only bring before the House some specific examples of how people are being pummelled by this particular government.

Let me give just an example that I ran into this week. It is not under the ambit of the Canada Assistance Plan, but it is a parallel example that I believe will drive home the point that I want to make here.

I was in the home of an individual, a college student, this weekend in a small community on the south coast of Newfoundland, a community of about 200 or 300 people. This young woman is the daughter of a fisherman who had a fair to middling year, not a good year. He has caught some fish and he is still working but he has no great amount of income. Notwithstanding, when that young individual went to apply for a Canada student loan she was told that given her circumstances and those of her father and so on, she would qualify, not for the $900 or $1,000 which she wanted but for $155.

Point number one: the reason she is qualifying for such a measly amount is because this government has not changed the basic ground rules since 1984. It has not kept up with inflation over those past seven years. Whatever an amount was worth in 1984, it is certainly not worth the same amount seven years later given the effect of inflation. To begin with, it has not changed the ground rules. That is quite another story, an important one but another story. On to my example.

This young woman was informed that she qualified for $155 to help her through her year at college, $155. She is going to appeal that, and we will help her. In the meantime, she trots off to the local bank a few miles down the road to get her $155. As she is about to sign all the forms and to receive the $155, which is several hundred dollars less than she was hoping she would get, the bank people said to her: "There are a few more details. Before we can give you the $155 you owe us $4.65". She wanted to know what that was for. That was the tax. That is the 3 per cent tax, another of the several taxes this government has put on education. The goods and services tax is also a tax on education. There is a theme on which we could go for some time.

My friend from South Shore has a nice term for everything. People these days call janitors or whatever sanitary engineers. Is that right? He is the kind of individual who goes around inventing fancy terms to put a nice face on some pretty despicable stuff. He can call it what he wants, but I call it a kick in the guts for students. That is what I would call it. Instead of engaging in sweet phrasing, when is he going to start fighting for those students in his own riding who must be pummelled by those taxes?

Let me continue with the example. I am sure he would be interested. He looks at least amused by the example, so let me continue.

This young woman is asked for $4.65 before she can get her student loan. She was told it was a federal government tax on student loans. So she said: "Take it off the $155". "No, we cannot do that. The rules do not allow us to do that. You have to give us the $4.65 first and then we will give you the $155".

She searched around in her purse and scraped up $4.65 and she passed it across the counter.

• (1700)

The bank is not finished with her yet. There is one more wrinkle. It said: "Now that you have paid us the $4.65, we have got to send it to the government. So you have got to buy a money order to send the $4.65 to the government". She searched around in her purse some more and $1.50 later she has got her transaction completed. To get her $155 loan which is only a fraction, only one-sixth of what she needs in the first place, she has to pay a tax that the finance minister and the boys have dreamed up for $4.65. Then to get that tax into the hot little hands of the Minister of Finance, she has got to turn around and buy a money order, another $1.50.

What are we trying to do in this country? Are we trying to drive those young people stark raving mad before they ever get in the door the first time to further their education? I say to my friend in the NDP that the one thing that they will not make of those people are Tories. They are working on alienating those people completely. They are working on running them out of rural Newfoundland or rural Canada and in the process they make every waking moment just as miserable as they can.

Think of the example that I have given. To get $155, she pays $4.65 in federal tax, a student tax, a tax on education, and then she has to turn around and buy a money order to send the tax off to the government.

There must be people over there who sit up nights saying: "How can we make it even more miserable tomorrow than it is today for the ordinary people out there? How can we do something to aggravate them, to drive them clean up the wall, to drive them stark raving mad?" This bill, this cap on the Canada Assistance Plan, while not as dramatic as the example I just mentioned, is in the same vein. It is of the same ilk. It is crafted by a bunch of warped minds that are so out of touch with reality, the reality of life for people out there in Newfoundland, in rural Canada and all over this great country, once great country which is only a shadow of its former self, thanks to what the gentleman from Baie Comeau and his clique have done with it.

People all over this country are hurting. They are hurting and it chooses this time to bring in this kind of a bill, this kind of a double whammy, this kind of a kick in the guts.

I was going to say I do not understand what makes this crowd over there tick, but then I do. It is that philosophy, that right wing agenda that somehow says: "If through no fault of your own you don't have a job or if for reasons of personal or whatever kind of misfortune you don't have adequate access to income, enough to keep body and soul together, if you happen to be in that category, tough luck". It is called, kick them while they are down.

If we were to characterize the approach of this government toward poor people, toward the disadvantaged generally across this country, it is kick them while they are down. The thing that really boggles my mind and tears at everything that is in me is how otherwise decent men and women can sit over there and be the unwitting parrots to this kind of nonsense, this kind of cruelty. How can they be party to perpetrating on poor people across this country what this bill seeks to do and what this government seeks to do on a daily basis?

The only surprise is that this crowd is at 12 per cent in the polls, that it is that far up. That is the only surprise.

Mr. McCreath: Seventeen on Monday.

Mr. Simmons: "Seventeen on Monday", the member for South Shore says. Enjoy it while it lasts. I say to him: enjoy it while it is up there at 17 per cent. It is a temporary situation if the people of this country continue to have the kind of basic horse sense that I know them to have. They will not stand by—

An hon. member: —another part of the horse.

Mr. Simmons: I think the member is much too kind. The member for South Shore should get his seat moved so he can be a seatmate of the member for Burlington. He would make the member for Burlington look good. Now if that is his attempt at wit he is half way there.

Mr. Speaker, we are talking about what we can do under the aegis of the Canada Assistance Plan to help some of the ordinary people of Canada. The best that my friend from South Shore can do is sit here and dream up some more insults. He needs a few more lessons from the member for Burlington because the member for Burlington is light years behind him. But he is definitely going in the right direction and he should work on it—or, I should say, he should not work on it.

Mr. Speaker, who is going to benefit from this bill? I say the same people that the Minister responsible for Constitutional Affairs rushed out to call today, the Business Council on National Issues, his buddies in business. That is part of the right wing agenda; move away from the ordinary people every last nickel and dime you can, so that the well to do people in this country have ever–increasing amounts of disposable income. Do you know that if you were poor in 1984 when this government came to power and had an income of under $25,000, your taxes have gone up in the seven intervening years by $1,200. But if you are in another category, if you had an income of $100,000 or more, your taxes have gone down by $1,600 a year since 1984.

The member for South Shore is having trouble absorbing that, but that is not a surprise to me. He should check his facts. The advice he gave me—and I rushed out and I checked my facts and, as usual, he was absolutely right; the public debt in 1984 was not $170 billion, it was $167 billion. So I was off by a mere $3 billion. He now bids for $199 billion; do I hear $200 billion? Because whether we are talking $167 billion, $170 billion, or whether we are talking $199 or $200 billion, my point stands, that the debt now is over $400 billion and no amount of fiddling around with compound interest or double talk or insults will change that. The public debt since his administration took office has more than doubled. That is the point I was making to him. He skated beautifully.

Mr. McCreath: Compounding of the interest—

Mr. Simmons: He skated beautifully. He had his chance to make a speech, Mr. Speaker, and I leave it to his constituents to judge how good his speech was, because I know that he did not spend a lot of time talking about their particular needs. He talked about the needs of his Prime Minister, but then again he is probably more interested in pleasing his Prime Minister than he is in pleasing his constituents. But I say to him that in the long run his destiny will be more decided by his constituents than by his Prime Minister, the former of whom are much more permanent than the latter.

Mr. Speaker, while the people in the Business Council on National Issues and the well-to-do people of this country, the cronies of the Minister of Finance and the minister of constitutional affairs and the Prime Minister, will benefit by this further shift in moneys away from the poor that are not so poor, who will really be hurt by this?

• (1710)

Mr. Speaker, I recognize your signal that my time has so quickly passed. I think it goes without saying that Canada's poorest people, the people who can least afford another kick in the guts, are going to get one when this bill passes. It will pass because the government will ram it through like it did the goods and services tax and like it has done with 31 other taxes since this government took power. There is no doubt in my mind that the bill will become law.

My only reason in rising today is to make a plea to some of the people over there who must realize that to tie their destiny to this particular sinking ship is foolhardy at best, but even that aside, in the interest of basic ordinary decency and compassion, recognize that this bill is one foul step too many.

If they want to look at themselves in the mirror tomorrow morning, they will be better able to do it if they vote against this bill first or at least speak against it.

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I listened with great attentiveness and care to my hon. friend from Burin—St. George's. I listened to him talk about the people who are going to be disadvantaged by this legislation. It is interesting to observe that not a single Newfoundlander will be disadvantaged by this bill. Quite the contrary, Newfoundlanders will benefit from this bill because it is part of a package that is going to put right the disordered finances of this nation that were left as the legacy of the government of which he was a member.

We talked about the accumulated debt earlier. It was interesting to note in my hon. friend's remarks that he said: "If the Tories do not stop taking money away from people there will not be any Tories left." One of the reasons this country is in such a mess is that the philosophy of the Liberal government was: "Buy as many of them as you can for as long as you can." The Liberals left office in 1984 with a $16 billion operating deficit.

If my hon. friend had come into office in 1984 and he was the Prime Minister and the Minister of Finance all wrapped up into one and he inherited a $16 billion operating deficit and a $400 billion accumulated debt, what would his solution have been to this situation?

Mr. Simmons: Mr. Speaker, the member in his last phrase or so unwittingly put a lie to everything he was saying. He should realize that the government which he supports inherited a debt of $167 billion. How many times do I have to say that to him? It was not $400 billion, it was $167 billion.

I heard the member say, Mr. Speaker, it was an inherited debt of $400 billion and it was actually $167 billion. Now he goes for $200 billion again. Do I hear $201 billion? In that example alone, it shows the member that if he is going to skate he should at least put the skates on. He should at least know how to do it.

The hon. member talks about inheriting an operating deficit of $16 billion. He is absolutely right, Mr. Speaker. These marvellous Tories with their wonderful machines have taken this atrocious $16 billion deficit—it weighed us down, it was horrendous, it was heavy, $16 billion—but thanks to him and his colleagues they whittled it down. It is no longer $16 billion, it is only $30 billion now. They got it all the way down from $16 billion to $30 billion.

The Acting Speaker (Mr. DeBlois): Order, please. On a point of order, the hon. member for South Shore.

Mr. McCreath: Mr. Speaker, I know it is not my hon. friend's intention to mislead the House, but we have a $12.5 billion operating surplus today from a $16 billion operating deficit when his party left office.

Mr. Simmons: I just want to continue with the answer to my colleague's question. He made the allegation that no Newfoundlander would be disenfranchised or hurt by this particular bill. Of course, he knows that is not the case at all. This is the old, foot-in-the-door approach. Today it happens to be Alberta, B.C. and Ontario. But once the government gets its foot in the door on this one, and does it with the unwitting support of people like the gentleman from South Shore, then tomorrow the world. Where will it stop? Where will it stop once it is allowed to make an onslaught on one of the programs that has served this country very well and helped look after the poor and the disadvantaged people of this country?

We cannot stand idly by and have these people doctor a very good program in the instance of shuffling a few more millions of dollars over to their rich buddies so they can make the tax break even greater for the people in the $100,000 bracket. That is our concern. It has to do with how you distribute income in this country.

If every decision was based on the bottom line we would not need a government at all. Those who have, have more and those who do not, shoot them. I do not subscribe to that philosophy, but this crowd does. I am not going to sit around and let them bulldoze their way through here with more policies that move this government's agenda further and further to the right. It is absolutely wrong and it belies the real reason we have government in the first place.

One of the reasons we have a government is to redistribute income to people who do not have income. That bill is a step in the wrong direction and I am going to oppose it for that reason.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my colleague spoke very eloquently and quite extensively about the deficit and about the accumulated debt. I would like him to make a few comments about what this bill is going to do to universality, particularly when we are talking about health care and education.

I would like to bring to the attention of my colleague the fact that by the year 2004, there will be no transfer payments from the federal government to the provinces in the areas of education and health care. How can the government have any say in those two areas if it does not make any financial contributions to the provinces?

I want him to tell Canadians, in his view, whether that will weaken the ability of the federal government in setting standards when it comes to health care and also when it was talking about national education objectives.

I want to hear a few comments from the hon. member on the impact of this bill.

Mr. Simmons: Mr. Speaker, I thank my good friend from Ottawa Centre. He makes the points very well.

First, on the question of universality and what it is going to do to people across this country who need dental care and disabled people who need living services, foster homes for abused children, places for abused women, child care for low income families, all services provided through the Canada Assistance Plan are under threat.

The member for Ottawa Centre talks about one of the much touted phrases of this government. He talks about national educational objectives.

Well, I say through him to this House: What a joke. Here is a government which, when it writes throne speeches or budget speeches can get much exercised by national educational objectives. I am a former educator and there are many sitting in this Chamber. Who of us will not say that we have become too compartmentalized. We have different objectives and different standards in little pockets all across this country and that has to change if we are going to be competitive.

• (1720)

Do I sound like the former Minister of Finance? These were his words, but he has never put his money where his mouth is.

Now, with this bill and with other initiatives in this House, I say to my friend from Ottawa Centre, that former minister, the present Minister of Finance, the Prime Minister and the rest of them over there are militating against our having national educational objectives. They are militating against our having a national standard of health care.

That is the real reason we on this side will fight this bill. It is a foot in the door that we do not want to go through.

Mr. Cid Samson (Timmins—Chapleau): Mr. Speaker, I welcome the opportunity to stand and to speak on this bill.

It is important that Canadians realize and know that the Canada Assistance Plan is the only way that the federal government transfers funds for the purposes of assisting in social assistance programs and social services. There is no other mechanism.

When we look at what this government is doing now, such as putting caps on this CAP, it is attacking our social programs. The Prime Minister said during his campaign debate that was a sacred trust. That is hypocrisy in the worst form. He campaigned strongly and clearly, saying: "This is a sacred trust. You have nothing to fear. The free trade agreement will not touch our social programs. You have my word on it."

So much for the Prime Minister's words, Mr. Speaker. The Canada Assistance Plan is being capped for the three richest provinces: Ontario, Alberta and British Columbia, the three richest provinces, which have 50 per cent of the poor within their boundaries. That does not make a lot of sense to me.

How do you explain to those people who are the poorest in those three provinces who send their children to school hungry and with clothes that are full of holes and shoes that are perhaps not fully soled? How do you explain to them that they have nothing to fear, that they live in one of the richest provinces in Canada.

It does not take away the pains of hunger. It does not take away the humiliation of the parents who have to go and ask for this welfare assistance. No, Mr. Speaker, quite to the contrary.

What this government should be doing is trying to help people to get back on their feet and to become contributors once again to this society. This government has an obligation to look at job creation programs.

We look at what is going on today in the country and we see thousands and thousands of people losing their jobs every day. They go to the unemployment office and try to receive benefits from the unemployment office, and they are told: "You did not work enough. You do not have enough weeks to apply. We cannot help you. Go to the welfare office."

Those same people who perhaps on occasion are able to collect unemployment insurance find out that the collection period is shortened. They are told: "Sorry, go to the welfare office."

The federal government is passing on its responsibilities to the provinces. At the same time, we hear the Prime Minister saying things to the premier of Ontario like: "The welfare roles are going up." It is no surprise, because he is washing his hands of the needs of the people of Canada.

The Government of Ontario is not ready to sit back and watch people starve. It is that simple. It is one thing for this government to say: "We have to show restraint. We need to have fiscal restraint. We have to get our deficit under control." On whose back are they doing it? On the less fortunate, that is whose back they are doing it on. By cutting back on those social programs in the form of CAP reductions, they are doing it on the backs of the Canadians who can least afford it.

We heard talk about the G–7 nations, the Group of Seven. There are a couple of notes I would like to read into the record just so that people understand a little more of what G–7 is all about. The G–7 is made up of the United States, Japan, Germany, Britain, France, Italy and Canada. Of the G–7 Canada has by far the highest percentage of total taxes paid from personal income, which leads me to the point of corporate tax. We hear people say that the NDPers are always talking about taxing corporations, always talking about passing the buck on to the corporations. It is not fair. Let us have a minimum tax for corporations.

We are then told that if you keep doing that the corporations are going to move to the United States. Let me remind you, my friends, that the United States has a minimum corporate tax of 20 per cent.

If we had a minimum corporate tax of 20 per cent here in this country, we could raise some $8 billion through that minimum tax.

Are we going to scare people away by saying we are going to have a minimum corporate tax? I do not think so because we see more and more that the manufacturers are leaving the country as it is. Why are they leaving the country now? We do not have a minimum tax. Why are they leaving? Why are we having so much unemployment in this country? It is because of the high dollar, the high interest rate policy that we have.

I would like to return for a moment to the social assistance program as we know it today. It is set up not to be a way for people to establish a lifestyle. Our social assistance program is a temporary measure to assist people when the need is greatest. It should not be institutionalized. We should not look to institutionalized food banks. We should try to find ways of getting people back to gainful employment.

That is the thrust of the message I am trying to get across here today. People in Canada are proud. They do not want a program of assistance to which they can adjust themselves to so that they can live free. No one in this country should get a free ride. Everybody has to contribute in one way or another.

I think that what this government should be looking at are more creative ways of creating jobs, of getting people back to work. I think that is going to be the solution to our problems in this country.

I have to restate that the burden of responsibility belongs on the shoulders of the federal government to assist the provinces in the continuation of these programs to aid those people who need it the most. Its corporate friends are not the ones who need it the most. The loopholes have to be closed in order to raise the funds that are needed to continue funding these programs. The federal government cannot pass its burden of responsibility to the provinces which in turn have no choice but to pass it on to the municipalities because that is where the welfare comes from, the ranks of the municipal taxpayers.

At the bottom line, I have heard people ask who pays. Sure it is the taxpayers who pay, but when you are taking 10 jelly beans out of a pot that has 15, or taking 10 jelly beans out of a pot that has 15 million, which one will you notice the most? If you are taking from the bigger pot, the effect is felt by fewer people. That is exactly what I am saying about this government. When we are drawing from the federal pot, everyone contributes and the effects are felt less strongly than they would be if they were taken from the municipal and the provincial pot.

• (1730)

Clearly, this federal government has missed the target altogether.

The federal government has said that it would like to eliminate child poverty by the year 2000. Is this its response? Is this the way it is going to do it? You cannot keep taking away and taking away and expect people to continue to survive.

I believe we need some restructuring. We have to look at our tax structure to ensure that we all pay our fair share. No one in this country would object to paying their fair share. But the imbalance we have today is a bloody nightmare. There are people paying 7 per cent who are making millions. There are people who are paying 35 per cent who are making peanuts. There is a severe imbalance.

We have to look at our training programs so that people can adjust themselves to the technological change we see taking place in the country today. People on unemployment insurance are running out of benefits and are not receiving training. I get any number of calls in my office from people telling me that they have an opportunity for a job. They have gone to the Canada Employment Centre and asked for some training to do this job, only to be told that it does not fall within the parameters of the training program being offered by that office.

I had one incident where a person came to me and said: "I have a job driving heavy equipment. I need two months training. The employer gave me a letter telling me that I have the job". He showed me the letter. "I have the job and I need two months training, but he will not pay for the training. If I can get the training through UI, through the Canada Employment Centre, I have the job".

He went to the UI and he was told: "Sorry, that does not fall within the parameters of our retraining program". He did not get the job.

There are instances where the system is inflexible and it will not adapt itself to the needs of the people. We have a system where we have to adjust to the system.

When we look at single industry towns where there is limited opportunity for employment, what is this government doing to diversify that economy? What is it doing?

FEDNOR is an excellent program. I have no shame and no hesitation in commending the government when I agree with a program it has. FEDNOR is one of those programs. I have told the minister that it needs some flexibility, that it needs a broadening of the base and needs some changes. I wrote him a letter and as far as I know, he agrees and it is something that is being looked at.

A the same time, when we look at the retraining program through the UI, that is a whole different picture. "Sorry, that is not what we are looking at. That is not what we want to do. That does not fit within the parameters of the mandate". Well, what are the parameters of the mandate? What is it we want to do? We want to put people back to work. We want to get them off the social assistance programs. People in this country want to work. They do not want social benefits. But by God, if they need them they should be there. They should not be told: "I am sorry, but the pot is empty. So you go hungry. You do not meet the guidelines. You go without". That is not what this is all about. There is approximately $1.6 billion going to the Ontario government in Canada Assistance Plan money. That is an indication that there is a severe need for a restructuring of training, of where we are going. Is it the intent that we become a welfare state? It seems to me that that is where we are headed. More and more people are out of work and less and less is being done to help put them back to work.

Statistically, if my information is correct—and I have no reason to doubt that it is—if you take a person out of the work force for a period of two years, you have a very slim chance of getting that person back into the work force. That person will at that point have adjusted himself or herself to a system of social assistance where they have changed their lifestyle. They have learned to do without. They have learned to cut back. They have learned to tell their children: "I am sorry, you just cannot go to the show this month. Maybe in a couple of months we will save enough money that you can go to the show". They have adjusted themselves to that kind of a program.

That is not acceptable to me. That is not acceptable to any Canadian. Canadians want to work.

When we look at the whole question of CAP, at social assistance benefits, safe houses for battered women, the children's aid societies, when we look at any other government funded agencies that are funded through the Canada Assistance Plan, that is funded by the federal government in which that is the only way the federal government participates, I cannot accept, I will not accept that this government should be allowed to put a cap on it.

If the need is there, the funds should be there to assist on a temporary basis and, more important, we should be looking toward a better job creation program so that these people can become proud once again and contribute in the way they want to contribute to the economy in Canada.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like to ask my hon. friend a couple of questions. He has tried in his speech to point to new sources of income for looking after those disadvantaged in our society. I appreciate the importance of the subject.

I want to question him on the two proposals he had which were pretty substantive. The first was the suggestion that we get rid of all loopholes in the Income Tax Act so that we can produce more revenue to look after the lower income people in Canada. We have, as the hon. member knows, since 1984 pruned from the Income Tax Act just about every loophole that the Liberals have put in there.

The scientific research tax credit was the worst. Almost $2 billion had been siphoned out of the taxpayers' hands through that scheme. The last one that we got rid of was the flow-through shares scheme which was important for the mining industry. What would he say? Does he support the removal of flow-through shares because that is a loophole which we did remove?

My second question has to do with taxing corporations, having a minimum tax on corporations. We have in Canada now over one million taxable corporations. A large number of them are sub-companies of larger holding groups. Therefore if you tax them, you would be taxing them once as the entity itself and once as the holding company. Is he in favour of taxing twice?

The second group of corporations that are not taxed are corporations that have loss carry-forwards. They have lost a whole bunch of money for two or three years, and they finally make a profit. They put the past years' losses against the profits and they are not taxable. Does the hon. member want to tax companies with loss carry-forwards?

In the third group we have over 800,000 companies in Canada with sales of less than $200,000. Is that who he wants to tax? There are not really very many companies left that do not pay tax, that really are worthy payers of tax in my view, so I would like his answers to those two questions.

• (1740)

Mr. Samson: I would like to thank the hon. minister for his question because I think they are very important.

First of all on flow-through shares, as the minister very well knows the original flow-through share program as we knew it was severely flawed and there was severe abuse.

The second Canadian Exploration and Development Incentive Program, CEDIP, was also somewhat flawed but a little less than the flow-through shares.

No, I would rather support quite clearly what industry is asking for now which is an adjustment to the cost price of a flow-through share. That would then give them money to continue exploration and create jobs.

Mr. Hockin: For all corporations.

Mr. Samson: I have never said I was opposed to assisting companies, corporations, call them whatever you like, that want to create or continue and expand employment.

If the loophole does nothing more than take the money and put it in their pocket and walk away, I am sorry I do not support that, and I do not think the minister does either.

What I am saying is that if we are going to create employment, if we are going to ensure the continuation of employment, then there definitely should be some assistance, but not if it is only to put money in their pockets.

On the question of double taxing of corporations, clearly a fair taxation system is what I have always wanted and what the New Democratic Party has always wanted, fairness and equality. Tax profitable corporations. If they do not make a profit clearly you are not going to tax them. That would not be fair. I do not think anyone in our party has ever said to tax companies that are going broke or to tax people who are closing shop or to tax people who are trying to create some employment but are having some difficulty. We never said that. I do not think anyone here has ever said that. I certainly have not.

When I made my comment about raising $8 billion in additional taxes, when I mentioned the 20 per cent minimum corporate tax, I was quoting from memory but I have the article here from *The Financial Post* in January 1990. They said: "$8.2 billion in additional revenue could have been raised in 1987, if a minimum corporate tax of 20 per cent had been in effect". This is for all profitable corporations.

I think I have addressed the questions of the minister and the evidence is there.

Mr. Sid Parker (Kootenay East): Mr. Speaker, I too would like to ask a question of the member for Timmins. With regard to what is happening with the capping and so on, does the member agree with the proposal that has been put forward by Premier Bob Rae of Ontario to bring in a social charter that all governments in the future would have to recognize? Does he see that there is a need for social programs in Canada, particularly when we see food banks at the extent they are, when we see governments cutting back in social programs in the very areas they are needed most? Possibly at this time, when a constitution is being debated, it is time for a social charter to be adopted across Canada to identify those problems and ensure that they are looked after by all governments.

Mr. Samson: Mr. Speaker, I thank my colleague for his question. I certainly do agree with Premier Bob Rae of Ontario. We have to ensure that when the need is there—and let us be honest that it will probably always be there— the program that is required to assist these people is there as well. We have to ensure there is some kind of protection for these people when social assistance is required and that they do not have to get down on their knees and go begging hat in hand. We have to ensure that they are protected and that the children in particular are protected.

I applaud Premier Bob Rae for his initiative. I certainly hope that he will get the support of all the premiers and of the Prime Minister.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I am busy on my feet today because there is a lot to be said about the government's economic fiscal and legislative program that it has put in place.

Earlier today I talked about the inequity in the government's approach to wage parity. I think this particular bill, Bill C-32, is another example of how this government has lost absolute control over its own agenda.

I remember just a very few years ago when I was running in my first election campaign federally in 1988. Goodness knows and God forbid, it sounded like if you elected a Conservative government again there was not going to be one chicken in every pot but there was going to be two chickens in every pot and a bigger car in every driveway.

I specifically remember the former Minister of Finance indicating clearly that the deficit was under control, the economy was under an expansion period, and saying "just elect us one more time and we are going to give you everything you ever dreamed of".

The people of Canada may have got sucked in back in 1988, but it is pieces of legislation like this, Bill C-32, that will ensure, as my hon. colleague from Newfoundland said, that Tories are going to be an endangered species after the next election.

What this government clearly has done is to dismantle the social system, the social network, that social net that we have built in this country over generations. We have always believed that this was a country, even with crazy geography and even with the inequities that we see in this country, rich enough that government had a role to play in ensuring that it did not matter where you lived, it did not matter how rich or poor you were, that you had a right to expect certain things and certain standards and programs.

This government has completely abandoned the promises of its 1988 campaign, promises of prosperity. Lots of prosperity has happened. I checked with Reverend Chang in my constituency, a minister who is very active in trying to help those who need that extra special hand in times of need, the poorest of the poor. He tells that he does not know what has happened, but for some strange reason that economic miracle has not hit some of the people in my riding or the people in ridings in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and all of the Atlantic, because we have never seen as many hungry people going to food banks. We have never seen so many people cut off from the economic greatness of this country. We have never seen church basements with so many people lined up looking for food for their children.

Where is the prosperity? What kind of an economic agenda has this government followed?

Let us look at it. Back in 1988 we were told that another term of Toryism, another term with these people opposite in power, was going to change the country. Brian Mulroney said it best: "Give me four more years and you will not even know this country".

There are a lot of people in this country who would like to go back about seven years because what this Prime Minister and this government have done has been nothing short of disastrous and an abuse of the public trust that was put into this government. Prosperity is not bursting out all over. Poverty, dismay and disunity have been the legacy of this government.

We have Bill C-32. This bill talks about fairness. It says, sorry, but the poorest of the poor, those people who want a job, who want to contribute, who want their children to feel that they belong and who do not want to be on welfare, are the people who are going to have to bear the burden more than anyone else in this country of this government's economic mismanagement, of its foolhardy policies.

There was a member opposite, the member for South Shore, who would have done well to sit down because I hope his constituents heard what he had to say on this particular issue. Maybe Nova Scotia is not affected, but this is the thin edge of the wedge. Give these guys across the aisle an inch and they will take a mile.

• (1750)

I remember the former minister for ACOA from Central Nova Scotia. He was out there beating the bushes telling us how great things were going to be in Nova Scotia because this government was committed, sacred trust, to regional development. We certainly found out what that sacred trust did. That sacred trust saw in the first two years of this government, $1.14

billion—that is a lot of money—cut from regional development programs in Atlantic Canada.

What effect do you think that has? I guess this government thinks it has no effect. It has a large effect because the unemployment rates went up. We became less competitive in the fisheries. We have seen our manufacturing base decline. This government calls that a continuing commitment to regional development.

We have also seen this government, as it tries to inflict prosperity from coast to coast in this country, come up and establish program financing.

Do you remember the principle this country was based on? It was caring and sharing. We said we have this program, it is called Established Programs Financing, and that is put there to ensure that it does not matter if you are in a province like Newfoundland, which is having some economic difficulties right now, or Nova Scotia, or if you are in Alberta where things are in fairly good shape or were before this government got in power. EPF ensured that there were transfers to those provinces for health care and post-secondary education. That is pretty important. If I cannot feel like a first-class Canadian in any province, and know that I have access to first-class health care and first-class post-secondary education, then there is something wrong with this country. It has pulled a thread out of this country which has damaged the fabric forever.

Let us look at Established Programs Financing. What has it done with it? I am going to quote right here from a brief that was given to a committee of Parliament studying bankruptcy legislation. It is from the Canadian Hospital Association.

The Canadian Hospital Association says that the changes in the EPF formula that this government has done in three successive budgets have the following effects. The transfer of responsibility to some of Canada's poorest provinces as a result of the changes to the EPF are as follows: between 1986 and 199, this government is cutting from transfers to the provinces for health care over $29 billion, $29.998 billion. That might be okay if you are in a province that has not been devastated by a recession or this government's policies. It is not okay in those provinces that do not have that type of economic base. It means that either they are going to have to cut somewhere else where they cannot afford it or we are going to have two classes of Canadians: those who live in have provinces and can expect to get national standards on programs, and those who live in have not provinces. Adios amigo, too bad, move to Toronto if you want to get a good bed and a good hospital.

Concerning post-secondary education, in a 10-year period between 1986 and 1996 it has cut $12.109 billion from those cost shared programs.

I heard the Prime Minister one day, I think it was during an election campaign, by God, saying that these things were sacred trusts. He even used his mother as a prop for goodness' sake to tell the Canadian public he would not touch any of these things. My goodness, it was those dastardly old Liberals and NDP members when they were going out and saying elect this bunch again and your social programs are going to be gone.

The government ensured that it once again was able to fool the Canadian public, and now we have seen two and a half years of Tory policies dismantle the social safety net in this country.

If that was not bad enough, a year ago, I think it was in April 1990, this government's spending was out of control. It was collecting more in taxes than any other government ever had. I think at that point it had raised taxes over 30 times. The money was coming in hand over fist. These guys opposite were spending it faster than it was coming in. They had taxed the Canadian public to the limit.

If that was not enough, they then decided that they were going to change the way the equalization formula works. There was some obscure clause that would kick in at a certain point, but they did not bother to tell the provinces about it.

The result in April 1990 was that Canada's smallest province and one of its poorest provinces, Prince Edward Island, suddenly found itself when the Minister of Finance was about to put a budget down $13 million short.

I think $13 million in a big province is a lot of money. Put it in a province with 135,000 people and it is absolutely devastating.

Then just three weeks later the province of Nova Scotia, again a have not province, found out that because the government and the bright boys and girls at the Department of Finance figured out another way to squeeze the poorest provinces it was going to lose $65 million in its provincial budget.

It is okay to say: "We have to share the burden here". If we are going to share the burden, why in the name of goodness do we not get to share the benefit when there are good times? We do not do that in places like Atlantic Canada.

This government comes in with its triple play, Bill C-32, the cap on CAP. If this government is allowed to go unchecked, it will not only ruin the economy but it will create a checkerboard Canada.

If you happen to live in a relatively prosperous region you can expect certain things. If you do not then you can expect not to have those certain things. Bill C-32, more than any other bill that has come before this place, is a glaring example of how this government has broken its social contract.

It is okay to say: "Ontario, you are kind of wealthy. Alberta, you are kind of wealthy. Maybe right now we are going to cap you". The problem is that the growing number of those who are unemployed and the growing number of those who find themselves in poverty are not capped. They increase every single day.

We are becoming more like Americans. We are trying to put a system in place here that rewards success. It absolutely throws those people who slip from the ladder of success into the trash heap. That is absolutely against every single thing that the Liberal Party tried to do in government and in forging a social contract with people of this country.

These Tories opposite sit back. With their smugness they say: "That is too bad. Let the poor people out there get jobs". That is the type of response you will get from some people opposite.

The fact is that the government has taken in more revenue than any other government. It has transferred the debt to the provinces. It has not given the provinces the capability for additional taxation because it has milked the public dry.

Mrs. Maheu: It has put away half a million jobs.

Mr. MacDonald (Dartmouth): It has put away half a million jobs.

We have had a free trade deal. Remember the wonderful free trade deal. The government opposite made it quite clear during free trade that it was going to be the panacea of everybody. There are going to be jobs flowing like milk and honey.

Just on the outside chance that there might be a job lost—you remember—it was going to have the most generous assistance program that the western world had ever seen. The minister walks behind me and says: "Yes". I hope he had a smile on his face and both fingers crossed, because he knows as well as every worker who has lost a job and an investment in their future and that of their family because of the free trade deal that it was simply not true.

This government's kamikaze economic policies have done more to separate us, to divide us, to categorize us and eventually, probably, to destroy this nation.

Bill C-32, as I said earlier, is the thin edge of the wedge. Today, maybe it applies to those provinces that this government in its warped sense of fairness feels can afford it.

Tomorrow, to my friend from Newfoundland who just spoke, it may apply to Newfoundland. The next day maybe it will apply to Saskatchewan or to British Columbia.

At some point, the federal government will absolutely shed like the skin of a lizard its responsibility to maintain those standards and that social contract with Canadians.

Even more important, what it is doing in places like Newfoundland, Nova Scotia and Saskatchewan is making those governments pay dearly for the consequences of the actions of this government.

• (1800)

Jobs are going, half a million jobs. It will be a million jobs by the time these guys are finished. The poor are lining up at food banks. It does not get any better. It is the dismantling of Canada, as my friend from Ontario says. It is the dismantling of Canada.

Bill C-32, as I said earlier I think is going to go down as one of the most glaring examples. I cannot wait until we get on the campaign trail, because Bill C-32 is going to drive this government, not to its knees at 17 per cent; it will drive them into the Smithsonian Institute, the Museum of Civilization across from here. Because after the next election Bill C-32 is going to be indicative of the decline and fall of the Tory empire.

The Acting Speaker (Mr. DeBlois): Order. It being six o'clock p.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred division of the business of supply, pursuant to Standing Order 81(14).

SUPPLY

ALLOTTED DAY, S. O. 81—AGRICULTURE

The House resumed from Thursday, September 19, consideration of the motion of Mr. Althouse (p. 2361.)

The Acting Speaker (Mr. DeBlois): The question is on the main motion.

Call in the members.

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

(Division No. 39)

YEAS

Members

Althouse
Angus
Bélair
Benjamin
Bevilacqua
Boudria
Brewin
Caccia
Crawford
Dingwall
Finestone
Fontana
Fulton
Gagliano
Grey (Beaver River)
Harb
Hovdebo
Jordan
Kilger (Stormont—Dundas)
Lapierre
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacWilliam
Marchi
Martin (Lasalle—Émard)
McGuire
Mifflin
Mills
Nunziata
Ouellet
Peterson
Prud'homme
Simmons
Stewart
Waddell
Wood—71

Anawak
Barrett
Bellemare
Berger
Blackburn (Brant)
Breaugh
Butland
Catterall
de Jong
Ferguson
Flis
Foster
Gaffney
Gauthier
Guarnieri
Hopkins
Hunter
Kaplan
Kilgour (Edmonton Southeast)
Laporte
Lee
MacDonald (Dartmouth)
Maheu
Marleau
McCurdy
McLaughlin
Milliken
Nault
Nystrom
Parker
Phinney
Samson
Skelly (North Island—Powell River)
Vanclief
Whittaker

NAYS

Members

Anderson
Atkinson
Belsher
Bertrand
Blackburn (Jonquière)
Bosley
Boyer
Campbell (Vancouver Centre)
Chadwick
Chartrand
Clark (Brandon—Souris)
Cole
Côté
Crosby (Halifax West)
de Cotret
Desjardins
Dobbie
Duplessis
Epp
Feltham
Friesen
Guilbault
Halliday
Hawkes
Hockin
Horner
Hudon
Jacques
Jelinek
Joncas
Koury
Langlois
Lewis
Lopez
MacKay
Martin (Lincoln)
Mayer
McCreath
McKnight
Mitges
Moore
O'Kurley
Porter
Redway
Reimer
Richardson
Roy-Arcelin
Scott (Victoria—Haliburton)
Shields
Sparrow
Tardif
Thacker
Tremblay (Rosemont)
Tremblay (Lotbinière)
Valcourt
Vankoughnet
Vien
Wenman
Wilbee
Worthy—120

Andre
Beatty
Bernier
Bjornson
Blais
Bourgault
Browes
Casey
Champagne (Champlain)
Clark (Yellowhead)
Clifford
Cook
Crosbie (St. John's West)
Danis
Della Noce
Dick
Domm
Edwards
Fee
Ferland
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Harvey (Chicoutimi)
Hicks
Hogue
Horning
Hughes
James
Johnson
Kempling
Landry
Larrivée
Loiselle
MacDonald (Rosedale)
Malone
Masse
Mazankowski
McDermid
McLean
Monteith
Oberle
Plourde
Pronovost
Reid
Ricard
Robitaille
Saint-Julien
Scott (Hamilton—Wentworth)
Siddon
Stevenson
Tétreault
Thorkelson
Tremblay (Québec-Est)
Turner (Halton—Peel)
Van De Walle
Vézina
Vincent
White
Wilson (Swift Current—Maple Creek—Assiniboia)
Winegard

PAIRED MEMBERS

Blenkarn
Corbeil
Kindy
MacLellan
Marin
Nowlan
Sobeski
Tobin

Cooper
Gray (Windsor West)
MacLaren
Manley
Merrithew
Proud
Soetens
Weiner

The Acting Speaker (Mr. DeBlois): I declare the motion lost.

On a point of order, the hon. member.

Mr. Brightwell: Mr. Speaker, I was present in the Chamber and chose to abstain because this was essentially a vote on the motion that came out of my committee.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It being 6.30 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Tuesday, September 24, 1991

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

THE CONSTITUTION

TABLING OF DOCUMENT
SHAPING CANADA'S FUTURE TOGETHER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, copies of a document entitled *Shaping Canada's Future Together*.

STATEMENT BY PRIME MINISTER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to table the government's proposals to renew the Canadian federation. The proposals, entitled *Shaping Canada's Future Together* have one simple but nevertheless critical and crucial objective; to build a stronger and more prosperous Canada where all Canadians can feel at home. I believe that is an objective that is shared by all members of this House who believe in Canada.

Every generation of Canadians has had to redefine the terms of living together. Our generation now faces that same challenge. If we are wise and remain true to our traditions, we can transform challenge into opportunity. Our goal is not only a framework under which all Canadians can feel at home in this magnificent country, but one that better equips us to meet the challenges of the global economy in the 21st century and beyond. Because if we must provide Canadians with a valid constitution, we must also provide Canadians with a powerful and a growing economy. And one goes with the other, and these two challenges have to be met by all members of this House.

Canada's needs are well known: aboriginal self-government; two Houses of Parliament that are truly democratic and progressively more responsive; recognition, in principle and in practice, of the distinctive character of Quebec; protection for the rights of all Canadians, particularly for minorities; a stronger Canadian economic union; bringing government closer to the people in framing national programs and in delivering programs and services to individual Canadians, to people; reducing wasteful overlap and duplication of government programs. There is not a member in this House who has not heard directly from his or her voters in regard to not only the overlap and the waste in government, but the perception that it is perhaps in some cases even more widespread than actually meets the eye. Of course, governments at all levels, not just Ottawa, must listen and lead and one that truly empowers people in exercising its powers.

Mr. Speaker, none of these changes is in any way contrary to the original concept of Confederation, now 125 years old. Rather, these changes add up to a renewal, now long overdue if the truth be known, of our Confederation.

[*Translation*]

Renewal is what Canadians everywhere seek for our country—not confrontation, not division, not rupture. Renewal of our values, of our institutions, of our working arrangements—renewal of the spirit of Confederation so that we can face the future more confidently together. Finally, renewal of our commitment to Canada and to the well-being of our fellow Canadians.

The proposals I am tabling today on behalf of the government will be referred to the Special Joint Committee on a Renewed Canada. These proposals are for discussion. That committee has five months to consult with Canadians. Its mandate is very broad. The process is open, not closed; it is inclusive, not exclusive.

[*English*]

We seek improvements to our proposals and we expect changes. The joint committee will hold its first meeting tomorrow. The first witness before that joint committee will be the right hon. Minister responsible for Constitutional Affairs, whose outstanding leadership in developing these proposals I know that all members from all parties will want to acknowledge with respect and gratitude.

• (1010)

Some hon. members: Hear, hear.

Mr. Mulroney: Today, Mr. Speaker, I do not intend to go into a detailed explanation of all of these proposals. They will be available to members of the House, to the media and eventually to all Canadians. Rather, I wish simply to outline them so as to convey to the people of Canada what lies behind the proposals, the spirit that motivates them and the objectives we had in mind in developing them.

In the Canadian constitutional tradition, there exists side by side protection for individual human rights and the rights of people as members of communities. The people of Canada cherish these rights as attributes of our common citizenship. They are defining characteristics of our Canadian identity. They capture in many ways the essence of what unites us.

Our proposals therefore seek to enhance both individual and collective rights. For example, we are proposing that the Canadian Charter of Rights and Freedoms be amended to guarantee property rights among our basic rights in Canada.

Some hon. members: Hear, hear.

Mr. Mulroney: We are also proposing more stringent limitations on the use of the so-called notwithstanding clause which enables legislatures to override many of our basic rights.

Of the various communities whose rights need and deserve protection, the aboriginal peoples of Canada have, in my judgment, a very important claim on our attention and the attention of all members. We have made a commitment to them that they will participate in the current constitutional discussions. We propose to entrench a continuing constitutional process for aboriginal matters. Consistent with these guarantees of process, the time has come to break with our recent history in aboriginal constitutional matters which sadly, has largely been by any objective criteria, a history of failure.

We are proposing to entrench in the Constitution of Canada a general right to aboriginal self-government within the Canadian federation and subject to the Charter.

Some hon. members: Hear, hear.

Mr. Mulroney: Our proposal would allow governments and aboriginal peoples 10 years to agree on the powers to be exercised, failing which they would be defined and enforced by the courts. In other words, the passage of time would work for and not against the aboriginal peoples of Canada. No aboriginal leader I know believes that self-government is by itself the remedy for the terrible deprivation and alienation that are so prevalent among so many aboriginal peoples. None underestimates the value of regaining the right to self-government and the responsibility that goes with it in providing an opportunity for First Nations' renewal.

That is what they ask, the right to get on with their own lives as members of aboriginal societies, the right to devise their own solutions to the terrible problems which over generations have come to afflict these societies, the right to work out their own place by themselves in Canada's future and the chance of a new lease on life.

I am proposing a deadline on the negotiation of the powers of aboriginal self-government because—I want everyone in Canada to understand this—I believe that we dare not wait another generation.

This is a matter of human dignity, of justice and fairness. We cannot repair the past, but we need not be condemned to relive it either. Let us altogether ensure that the future of the aboriginal peoples belongs to them and to their children in fairness, justice and equality of opportunity for all.

[*Translation*]

Mr. Speaker, about 285 million English-speaking people live on the North American continent. Surrounded by all these English-speakers is one piece of territory, Quebec, where some six million French-speaking people live and are a majority. They are determined to preserve and promote a vibrant French-speaking society in Quebec. They want to live their lives in French in a Canada that is both prosperous and fair. We must make certain that their capacity to do so is not inhibited, but is

enhanced by reform of our Constitution and renewal of our Confederation.

Constitutional reform must embrace Quebec's distinct society and we propose to do so, Mr. Speaker.

Some hon. members: Hear, hear.

Mr. Mulroney: Ninety-three years before Confederation, not after, but before Confederation, the Parliament of Great Britain recognized the distinctiveness of Quebec. The Quebec Act established Quebec's right to preserve its religion and civil laws. Exactly 200 years ago, Mr. Speaker, the Constitution Act of 1791 continued those rights. The British North America Act of 1867 rejected conclusively the attempt in 1840 to submerge those rights in a unitary system and contained other provisions supporting the distinctive character of Quebec.

The modern world with its economic, social and population pressures has in some respects overtaken the old Constitution and bent it out of shape. It is not surprising then that of all the provinces, Quebec has for 30 years been the principal advocate of constitutional reform.

In 1982, the isolation of Quebec from the patriation of our Constitution was a powerful reminder to Quebecers of their minority status and vulnerability as a society in English-speaking North America. In spite of the compelling economic and social advantages to Quebec of participating in Confederation—and no serious person in Quebec doubts those advantages—Quebec will assume the risks and responsibilities as well as the rights of a new federal partnership only if Confederation guarantees her cultural security as a distinct French-speaking society in Canada on American soil.

Some hon. members: Hear, hear.

Mr. Mulroney: Seven years ago, Mr. Speaker, I committed my government to securing the return of Quebec to the Canadian constitutional family. We have never wavered in that commitment and today, Mr. Speaker, I reaffirm our determination to succeed.

I am sure that Quebecers will see in today's proposals the possibility of achieving the fundamental reforms that Quebec needs to evolve as a distinct society within Canada and to be a secure, confident and equal partner in Confederation. I have no doubt that this can be accomplished to the enduring benefit of all Canadians.

• (1020)

With regard to the recognition of Quebec's distinct society, we are proposing that clause 2 of the Constitution, a Canada clause, affirm the special responsibility of Quebec to preserve and promote its distinct identity as a French-speaking society. We are also proposing that the Canadian Charter of Rights and Freedoms be interpreted consistent with the preservation and promotion of Quebec as a distinct society within Canada. It must never be forgotten that Quebec *is* a distinct society, but always within a united Canada.

The affirmation of Quebec's distinctive character in the Canada Clause and the recognition of the distinct society in the Charter of Rights would be important and substantial amendments to our Constitution. They are essential safeguards for Quebec against the uncertainties of the future.

In our proposals relating to national institutions, distribution of powers and the economic union, Quebec will find the space and the freedom to evolve and to flourish as a distinct society in a more harmonious Confederation. Our proposals relating to the Senate contain additional protection for the French language and culture. And, Mr. Speaker, if collectively we find it desirable next spring to include in our plan any items that require unanimity, we will move forward with important amendments to the amending formula and additional changes to the Supreme Court of Canada to which we remain committed as a government.

The proposal to place labour market training under exclusive provincial jurisdiction is fundamental reassurance of the authority of Quebec and of the other provinces over matters related to education. The proposed entrenchment of immigration agreements such as that recently signed by the federal government and Quebec has long been regarded by Quebec as a vital element of her cultural security. Now we are proposing the negotiation and entrenchment of similar agreements on cultural matters with any province that so requests. We will define the roles of governments to reflect the particular circumstances of each province in cultural matters. The proposals for delegation of federal legislative power, as well as for administrative delegation in some fields—and the proposed rules on the use of the

federal government's spending power—would create a far more flexible federalism than we have known, something many have advocated.

[*English*]

Mr. Speaker, I believe that we all know that the people of Canada are going to be looking carefully to see whether in proposing change and renewal for Canada we parliamentarians might seek to exempt ourselves. Well, we cannot and we must not. I am sure that we all realize that in the minds of the people of Canada no area of our national life is more in need of improvement than the Parliament of Canada itself.

I want to draw your attention to our proposals for reform of the House of Commons. Some may say these proposals breach long-standing parliamentary traditions. I would argue to the contrary, that these proposals are more faithful than some of our modern practices have been to the essence of parliamentary government and MP's prerogatives and individual freedoms. If we pursue proposals along these lines, we will have government much more responsive to the elected representatives of the people, and we will have members of Parliament much more responsive to the people who elected them in the first place.

We will then be closer to the British system of parliamentary government as it was originally meant to be. We will have a more vibrant and a more vital Canadian parliamentary democracy.

The people of Canada properly demand a renewed House of Commons and a reformed Senate. I believe, Mr. Speaker, that our Senate proposals are very much in line with the expectations of people across Canada, but I look forward to the views of the public and the recommendations of the parliamentary committee.

The Senate that we are proposing today would, for the first time, be directly elected by the people of Canada. An unelected body exercising legislative powers equal to the House of Commons is simply not compatible with democratic government.

The Senate should also be much more equitable in its representation than is the present chamber. Equity includes a range of possibilities, from weighted representation of member states, such as in Germany, to equal representation of provinces as advocated by the Canada West Foundation.

We propose an effective Senate. As a general rule, in order for a measure to become law, the approval by both the House of Commons and the reformed Senate should be necessary. And the Senate should have to approve key government appointments that affect the lives of Canadians. For example, under this plan in the future, nominees such as the Governor of the Bank of Canada would have to go before a reformed, elected Senate to explain his philosophy and obtain the approval of that body.

On legislation involving language and culture, special voting rules, a double linguistic majority will apply as proposed, Mr. Speaker, by the Alberta legislative committee in 1983, and by the Government of Newfoundland and Labrador in 1989.

On matters of particular national importance such as defence and international relations, the Senate would only have a suspensive veto.

Under our proposals, the House and the Senate would have somewhat different roles and responsibilities. We believe that good government demands that only the House of Commons be a confidence chamber, in order to prevent the kind of constitutional instability that parliamentary federal systems have known at other times and in other jurisdictions.

The Commons would likely become a chamber in which there was stricter adherence to the principle of representation by population, and the Senate in consequence, would provide more balanced and more equitable representation among the provinces. Both houses would have real power. Most important to Canadians, the Senate, like the House of Commons, would for the first time be accountable and responsible to the people of Canada.

I think, Mr. Speaker, there would not be much quarrel about it, that in the eyes of most people, for the first time the reformed Senate would have, as it is proposed today or perhaps as is modified by the parliamentary committee, democratic legitimacy.

Mr. Speaker, for some years Canadians have felt an increasing frustration with governments at all levels, and that is pretty obvious to all of us. Millions of Canadians sense they have lost power and influence over decisions that affect them, their families and the places they live. We must act to try and bring government closer to people. The reforms that we are proposing to the House of Commons and the Senate would greatly improve the

responsiveness of parliamentarians to the people who elect them in the first place.

[*Translation*]

But bringing government closer to the people also means sharing power and responsibility with provincial and municipal governments and with non-governmental organizations.

Matters such as labour market training, immigration and culture have important national dimensions for the Canadian economy and indeed for the Canadian identity. Our proposals would preserve the capacity of the federal Parliament to maintain the national interest and institutions in these matters. However, training, immigration and cultural policy affect some of the most sensitive areas of people's lives. Mr. Speaker, that is why we are proposing that provinces have control over training as they have over education.

• (1030)

Some hon. members: Hear, hear.

Mr. Mulroney: That is why we propose to negotiate and entrench in the Constitution federal-provincial agreements on immigration, tailored to the particular needs, priorities and traditions of each province, from British Columbia to Newfoundland. That is also why we propose to negotiate and entrench in the Constitution similar agreements on cultural responsibilities with provincial governments that so request, while maintaining the federal Parliament's responsibility—and I say it clearly, Mr. Speaker, to avoid any misunderstanding—over key national institutions such as the Canadian Broadcasting Corporation and the Canada Council.

That is also the spirit behind our proposal to recognize the exclusive jurisdiction of the provinces in such areas as housing, forestry, municipal affairs and tourism, while maintaining our international responsibilities in these areas. That is the spirit behind our proposal to require the federal government to work with the provinces in introducing new Canada-wide shared cost programs in areas of exclusive provincial jurisdiction.

However, Mr. Speaker, financing would still be provided to a province which preferred to tailor its own program to its own needs, so long as it met the objectives of the new national program.

Mr. Speaker, I believe we all know that the need to bring government closer to the people—and to share and to decentralize power—has to be balanced with the requirement for a strong Canadian political and economic union.

[*English*]

To reinforce the bonds that must unite us and to strengthen our capacity to compete and prosper in the world, our proposals include several fundamental reforms to our economic union.

There are more interprovincial barriers to trade and commerce within Canada today than there are among nations of the European common market. These barriers in our internal market weaken the Canadian economy and impair our ability to compete in the world. That is why we are proposing that the Constitution be amended to prohibit government barriers to the mobility of people, goods, capital and services anywhere within Canada.

In law and in fact our economic growth is profoundly affected by the policies and actions of both the federal and provincial governments. Fundamental conflict between federal and provincial economic policies can be absolutely disastrous. Even working at cross purposes can diminish our prosperity. It is absurd that the 12 nations of the European common market are moving toward a state of economic co-ordination and harmonization superior in many ways to the Canadian economic union which has been together for 125 years. Obviously we must do better. We must equip this country with the means to act decisively to ensure the best we can our own prosperity.

That is why we are proposing to amend the Constitution to provide the Parliament of Canada with a new power to make laws for the efficient functioning of the economic union of Canada.

That is why we are making a number of proposals to formalize the co-ordination of federal and provincial economic and fiscal policies. Together it is these reforms that produce the strongest framework of economic union since Confederation.

We propose as well a Canada clause which would be entrenched in the body of the Constitution, in section 2 of the Constitution Act. I hope and believe that all of our people will see reflected in that clause their own place in Canada, the common values and aspirations that unite us and our national characteristics, and our identity as we wish it to be.

We are a nation with an immense capacity for generosity and compromise, a capacity that has never mattered more than it matters today. Parochialism, small-mindedness, mistrust: these are always present in any society. These lesser attributes have had their day. It is now time for the fundamental qualities of generosity and compromise to dominate the process.

There are in all 28 proposals that the Government of Canada is putting forward today for consideration by the joint committee and discussion with the people of Canada.

[*Translation*]

Before presenting our plan for renewal in final form, we want to have the report of the Joint Committee, whose mandate extends until February. As I undertook to this House on May 15, "the government will be very open-minded to constructive amendments offered in the spirit of improving its proposals and broadening the consensus that Canadian unity needs and demands".

The government's proposals should be and will be examined on their merits. They must also be considered in light of their purpose, which is a more secure, united and prosperous Canada.

[*English*]

These proposals which are perfectible and which are going to a committee beginning hearing tomorrow will hopefully be examined in an objective and fair-minded manner, not by people searching for perfection because perfection can become the enemy of the good but for proposals that are good for Canada.

No one need lose. If the cause, the hopes and the aspirations of western Canada are advanced, that does not mean that that advancement means a loss for Quebec.

If French Canadians feel no more secure as a result of constitutional proposals and feel a greater attachment and greater love for Canada, that does not mean that the rights of Canadians in English speaking Canada, say in the Atlantic region, will in any way be diminished.

Constitutional proposals fairly considered, actively debated, and generously contemplated can be what they should be: a win-win situation for all Canadians.

How are they to be considered? Each one of us across the country, each premier, each taxpayer, each parliamentarian, each of us, will have to establish, I suppose, his or her own sense of parameters and his or her own objective criteria. I think that these proposals must also be considered in light of our greatest obligation.

We have many obligations. You can enumerate them, you can count them, you can divide them and you can add them up, but our greatest obligation as Canadians and as parliamentarians sitting here today is to turn Canada over to our children and grandchildren unsullied, undiminished and as a great, prosperous, united nation. That is our fundamental obligation.

To do that will require compromise and compromise is not an indication of weakness. Honourable compromise in Canada has always been seen as an indication of strength and maturity. The wisdom of knowing that all of us have to find our own places in the Canadian sunlight makes me hopeful that these series of proposals, once engaged, will give us all the opportunity to participate in the building of Canada.

• (1040)

Thomas D'Arcy McGee, who was a son of Ireland but who became a father of Canada, saw a brilliant future for our country. Seven years before Confederation he said: "I look to the future of my adopted country with hope, though not without anxiety. I see in the not remote distance one great nationality, bound like the shield of Achilles by the blue rim of ocean. I see it quartered into many communities, each disposing of its internal affairs, but all bound together by free institutions, free intercourse and free commerce. I see within the round of that shield the peaks of the western mountains and the crests of the eastern waves. I see a generation of industrious, contented men and women free in name and in fact, capable of maintaining in peace and in war a constitution worthy of such a great country."

Mr. Speaker, along with all other members of this House in all political parties, I too see such a country, a country of women and men, of your children and mine whose standard of living is the envy of millions and whose way of life is admired around the world. This country Canada, the second largest country on earth, is also according to the United Nations one of the two best countries in the world in which to live. The challenge for us now is to make Canada second to none.

The challenge is to build a stronger country for the security and the prosperity of all Canadians. I have said in this House on other occasions that the job of nation building did not end with Confederation, and had the Fathers of Confederation sought perfection and insisted on perfection there would have been no Canada in 1867. That was the beginning of nation building, but it continues with each generation and it continues to this day in our minds and in our hearts.

As McGee said, we want a Constitution cherished in the hearts of all of its people, not part of its people, not some of its people, not the people who live in the west and the east but English speaking Canadians, French speaking Canadians, from the north, the south and the east—all Canadians are deserving of a Constitution that represents them and reflects their hopes and dreams and aspirations for a new and a better Canada.

We have the challenge to keep Canada and today we have the opportunity to improve it. Nothing would serve the economic interests of all Canadians more directly than clear resolution of constitutional challenges. They have bedevilled this nation for too long. I think that it would be with a sense of national relief and gratitude that all Canadians dealt with a proposal that managed to bring this to a successful conclusion.

In that spirit I invite all Canadians, all political parties that believe in one undiminished Canada, to set aside other differences and to engage in nation building with the full exuberance that this magnificent country deserves.

I suggest that we get on with it, the building of Canada, of a vision of Macdonald and Cartier and McGee, and the country of our own dreams, a new Canada for a new century, honoured in the family of nations as a modern and flexible and caring country, a Canada respected by its peers, a Canada loved by its people, a Canada better able to serve its citizens with governments and institutions revised and reformed by this Parliament and by all Canadians that will be tied to the very best that Canada can provide.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I rise in this House today very conscious of the importance of the issue before us. At a time of significant national debate, each of us must fulfil our duties to the best of our abilities.

At a time when there is cynicism about the role of politicians, it is particularly important that the political process works the way it should.

I want it to be very clear that the role of the opposition is not to give a blank cheque to the government, nor is it our role to oppose simply for the sake of opposing something. The role of the opposition is to scrutinize, to ask the right questions, to propose improvements and to seek to correct errors. The role of the opposition is to speak for those who have no voice. This is a role that we will fulfil in the months ahead.

I want to say that our objective is the unity of the country, but this does not mean that we will necessarily agree with all of the proposals of the government. Indeed, our first impression is that the proposals of the government need a great deal of work.

Over the next few months some of the debates will be about issues of principle, and we will fight for our principles by proposing improvements, but much of the debate will also be about legal text.

What does one word mean? What does one phrase mean? Are there flaws that can be corrected or improvements that can be made?

[*Translation*]

Mr. Speaker, a constitution is both a political statement and a legal document. It embodies and reflects the values Canadians share and defines the legal structure of our society.

Unlike other arrangements such as collective bargaining agreements and trade agreements which are temporary and easy to amend, a constitution is not easy to change, and that is as it should be.

When dealing with fundamental values, with political institutions, with the delicate balance of a society, our approach must be considered and prudent. Since the changes we make will be with us for a long time, it is preferable to get the wording right before the proposals are agreed to.

[*English*]

As a legal document which individuals, governments and the courts must rely upon, it must accurately reflect the intention of its authors.

Let us resolve not to transform a debate on legal meaning of proposals into an emotional debate about rejections and humiliations. Let us not transform a debate about values into a lot of empty rhetoric and political posturing.

• (1050)

Clearly it is too early for anyone to state definitively a hard and fast position on the government paper. Constitutional language is extremely important and some of the government papers lack legal precision. In many places we do not have a specific proposal, just a list of options.

Over the coming weeks and months, with the help of the people of Canada, we in this party will work to find specific answers. In this round we will not tolerate constitutional wording which is so deliberately ambiguous that it can be used to mean one thing in one part of Canada and something else in another part of the country.

Ensuring that these proposals are thoroughly debated, thoroughly reviewed and where necessary amended, abandoned or enlarged—that is our duty. It is a duty we in this party will honour. We will not compromise on principles.

[*Translation*]

As the Leader of the Liberal Party of Canada, I promise to do my best to ensure that all Canadians can take part in the debate on the proposals for constitutional reform. The Constitution does not belong to the politicians or the bureaucrats. The Constitution belongs to the people.

Some hon. members: Hear, hear!

Mr. Chrétien: I need not remind the Prime Minister of the failure of Parliament's last attempt at constitutional reform. This attempt failed because the Canadian people were excluded from the debate. It was the wrong approach.

The Charter of Rights and Freedoms, enshrined in the Constitution in 1982 to embody the common heritage of all Canadians, was the result of long and passionate public debate and of negotiations between governments. The most progressive provisions in the Charter, including protection of the rights of the disabled and measures to help disadvantaged groups, were made as a result of public hearings.

Quebecers know how important it is to have a Charter of Rights because they drafted their own charter several years ago. The Quebec Charter has influenced to a considerable extent the Charter that is now part of the Canadian Constitution.

Canadians have a stake in the Constitution, and they feel they are its guardians. The constitutional debate is not the exclusive preserve of politicians and bureaucrats. If it is to be credible and command respect, the debate must involve the people of this country.

On April 21, I urged the government to produce detailed and concrete proposals for constitutional reform that would immediately be considered by a joint committee of the Senate and the House of Commons. We recommended that the committee hold public hearings to receive the views, advice and comments of individuals, experts, groups and governments.

I said at the time that tabling concrete proposals would make it possible for all provincial governments, including the Government of Quebec, to express their views and to seek agreement with the federal government on the substance of the reform. We recommended that the committee be authorized to make recommendations aimed at amending and improving the proposals to reflect the opinions expressed, and that seems to have been accepted.

Mr. Speaker, I sincerely hope the committee will make every attempt to involve the people in this debate. I also hope that committee members will work together to seek a genuine compromise.

[*English*]

The lessons of Meech Lake are written for all to see. The people shall never be ignored. I will hold the Prime Minister to his promise made today before the entire nation, his promise to involve the people of Canada in this new round.

This joint parliamentary committee is to report at the end of February. We must use the remaining time to study the proposals, to debate their meaning, to consult widely and to listen to the people of Canada.

I have spent time talking about the process because the process is very important. Now I will address principles which are equally important.

One of Canada's greatest constitutional thinkers, the late Professor F. R. Scott, once wrote:

> If Canadians can agree upon great and lasting principles upon which they wish their society to be built, then they can agree upon the broad outlines of a Constitution to achieve these ends.

Our principles as Liberals are clear:

(1) What is proposed must be compatible with the very nature of Canada, a nation which finds its *raison d'être* in sharing diversity and respect for the rights of individuals.

(2) The solutions proposed must result in real reform of our political institutions to ensure that the distinct concern of Canada's regions are respected.

(3) The solution proposed must recognize the need to renew and modernize our economic instruments, including the training and mobility of our work force to create policies that will permit us to be competitive in the world of tomorrow.

(4) Constitutional reform must not weaken the right of individuals as guaranteed in the Charter of Rights and Freedoms.

(5) Constitutional reform must not weaken the Canadian duality, nor the rights of official language minorities everywhere in Canada.

(6) Constitutional reform must not weaken Canada's cultural diversity and its heritage of tolerance.

(7) Constitutional reform must not weaken the ability of a strong federal government to speak and act for all Canadians.

The Liberal Party of Canada entered this debate convinced that the things we call Canadian values are as relevant today as they have been at any time in our history. At a time when Canadian values are under attack and when our country is divided as never before, we believe that Canadians must remind themselves of the greatness of the Canadian experiment. We also believe that Canadians must devote their energies to finding new bonds and new endeavours which reflect our collective values. We must concentrate now on what unites us, and not what divides us.

More than ever we must commit ourselves to true Canadian values, values like generosity of spirit and collective action, values that will permit us to meet the next century with our head held high.

In discussing constitutional reform, we must reflect on the great and lasting principles of our society. Constitutional reforms must have one goal and only one goal, that is the well-being not of governments, not of politicians, not of bureaucrats, but of the citizens of Canada.

Which government holds which power only matters inasmuch as citizens are well served. Therefore, to serve the citizens of Canada, and that is what all of us have been elected to do, we must understand the values we share as Canadians. After all, Canadian citizenship means more than a shared passport. It is shared values. Quite frankly, Canadian citizens have a right to a government that can speak and act for all Canadians.

• (1100)

As Canadians we have a unique and profound commitment to a shared sense of social responsibility. We believe in equality and equality of opportunity. We respect the individual and we also have a very strong sense of obligation to the community as a whole. We believe that we are responsible for each other. We believe it is our responsibility, every one of us, to ensure that Canadians, wherever they live, enjoy a Canadian quality of life.

The partnership of French-speaking and English-speaking Canadians built a nation where French is not spoken only in Quebec. I am very proud to be in this House today and to have been elected in a riding where the majority of the people are Acadian and I am very proud that they speak French—

[*Translation*]

[—] that they speak French, that they are truly French even if they do not live in Quebec and want to remain French-speaking within all of Canada.

[*English*]

I am proud to be in a country where English is not restricted to the other nine provinces. There are a lot of people in my province of Quebec who are as much Quebecers as anyone of us and who are English speaking

and deserve to be protected like anybody else. That is a fundamental cornerstone of what we call Canada.

I want to state clearly that we will not accept any constitutional change that will effectively split Canada into two nations, nine English provinces on one side, and a French Quebec on the other side.

Canada's aboriginal peoples are a fundamental characteristic of our country too. But at the same time the treatment of aboriginal citizens is also a test. It is a test of our values. It is a test that we have failed in the past. We must not fail again in the years ahead. We have built a country that has welcomed people from every corner of the world. Diversity and multiculturalism, the fact that we can be different and be Canadian too, are fundamental characteristics of Canada.

[*Translation*]

These values form the foundation upon which to build our constitutional reform proposals. The Canadian Constitution recognizes the importance of the individual. Thus it protects the fundamental rights and freedoms of every citizen.

It recognizes our two official languages and acknowledges formally multiculturalism. It protects the rights of the aboriginal people of Canada. It recognizes the principle of equalization which ensures that all regions of Canada are afforded equal opportunities.

The Constitution grants provincial governments great autonomy and considerable power. In itself, the Canadian federal system has promoted the development of provinces all distinct from one another. Quebec as we know it today and are all so proud of developed within this Canadian federation.

We also recognized that Canada is far more than the sum of its parts, far more that just a community of communities. A strong national government has always been necessary to meet the great challenges we face today. More than ever a strong national government is needed if we are to meet the global challenges of tomorrow, especially in the 21st century.

So, Mr. Speaker, this is a strong foundation upon which we can build. We do not have to start from scratch. We must improve upon what we have.

[*English*]

Let me repeat, Mr. Speaker. We have in this party recognized that Canada is far more than the sum of its parts. It is far more than a community of communities. A strong national government has always been necessary to meet the great challenges we face today. A strong national government will remain necessary to meet the global challenges we will encounter in the months and years ahead.

The Liberal Party will not compromise on this principle. Our approach to constitutional change will be guided by this principle. Let me be clear, Mr. Speaker. In Canada we have a strong foundation upon which to build the future. We do not have to rebuild our nation from scratch. Instead, we must improve upon what we already have.

[*Translation*]

Over the last several months, we in the Liberal Party of Canada have made public the kind of country we hope to build in the months and years to come. We are, I am proud to say, the first federal political party to have made their intentions known to the Canadian people.

I have made it clear that Canada must not stand still in an ever changing world. To maintain the status quo is not good enough. Most countries are making changes in their institutions to adapt to the requirements of the next century. I suggest that Canada must not be the exception.

[*English*]

I set out the objectives of the Liberal Party on constitutional reform in Montreal on April 21. They will guide us in our work over the next few months. Let me repeat them here in the House of Commons.

First, we propose that the Constitution include an inspiring declaration of the nature of Canada. This declaration would set out the will of Canadians to live together in a federal state, the principles which govern that state, the values we share, our commitment to two official languages, a recognition of our diverse cultural heritage, a recognition of the distinctiveness of Quebec and a recognition of the role of the aboriginal peoples.

The government has tabled such a declaration. We will examine its wording and propose improvements where necessary.

Second, a commitment to the Charter of Rights and Freedoms. All Canadians have a strong attachment to the fundamental rights and freedoms found in the Charter. They want to see those freedoms strengthened. In the Liberal Party, our position is very clear. We will not accept any constitutional change that diminishes the rights and freedoms of Canadians protected by the Charter. We will not accept that.

Third, strengthening the Canadian economic union. In the Canadian federal state we are entitled to expect the full benefits associated with the unrestricted mobility of people, goods, services and capital. This is essential if we are to develop internationally competitive products, services and technologies, things we need to meet the demands of globalization.

Then we need to break down interprovincial trade barriers. Those barriers are coming down all over the world and we must break them down in Canada as well. The government has made some proposals in this area. Our first reaction is that they need to be strengthened. There appears to be too many loopholes. We will be recommending a number of major improvements.

Fourth, institutional reform. The regions of Canada need to be more involved in decision making and policy making at the national level. To meet the hopes and dreams of those who live in the west and the Atlantic, a reformed Senate is essential. It must be a Senate that is elected, effective and equitable. Such a Senate should have the power to examine appointments to important federal institutions and agencies. It should also protect the rights of minority language groups, and it should require a double majority for legislation touching upon the French language and culture.

• (1110)

It appears that the government has adopted a lot of this proposal. We will listen carefully to the view expressed before the committee.

[*Translation*]

Fifth, concerning the division of powers, constitutional reform involves the redistribution of powers. That is inescapable.

The criterion should be the following: jurisdiction must be granted to the level of government in the best position to exercise it. A functional approach should be used.

We must seek the arrangement that will best serve the interests of the people rather than that of governments, bureaucrats or politicians. The new arrangements must be flexible enough to meet the challenges that lay ahead.

There are a number of areas in which the federal and provincial governments should be able to pass complementary legislation. For instance, we should be able to adopt national environmental standards and let the provinces adapt these standards to regional requirements.

The government's approach to the question of power sharing seems to be to give up federal powers to the provinces, without getting anything in exchange.

We intend to scrutinize each proposal in the light of our principles, in other words, it must be functional, and there must be a national government able to act and speak for all Canadians. We will draft amendments as appropriate and submit them to the committee.

I would also like to discuss the subject of spending powers. We believe it should be possible to limit the federal government's spending power in areas of exclusive provincial jurisdiction. In the past, the problem was how to reconcile restrictions on spending power and the need for national standards. A functional redistribution of powers would help limit spending power without compromising national standards. However, it is essential that by the end of February, we do not end up with two Canadas, one rich, with first class social services, and one poor, with second class social services.

There is also an administrative agreement between Ottawa and Quebec that governs immigration. This agreement must be made part of the Constitution. The government appears to have accepted the proposals we made in Montreal last April.

[*English*]

Since the creation of the charter nine years ago, the Supreme Court of Canada is becoming more and more of a constitutional court. For that reason alone it is reasonable to expect that the provinces should have greater involvement in the appointment of judges.

To this end, a formula along the lines of the one proposed in the Meech Lake Accord could be adopted, provided that there is a real deadlock-breaking mechanism.

(7) The aboriginal peoples: across Canada there is a broad consensus of the need to deal with the problem faced by Canada's first citizens. There is understanding of the need to deal with the status, rights and claims of these peoples. In our view any constitutional package must enshrine their right to self-government.

(8) The amending formula: the process by which the Constitution is amended must be addressed. Liberals want a regionally based amending formula, combining flexibility with protection for each region and significantly improved public participation in the process. We believe it should be addressed now, not later.

(9) A national referendum: I have proposed the use of a national referendum to ensure that we get the full participation and approval of the Canadian people.

I believe that the final constitutional package that emerges from the parliamentary committee report will be put to the Canadian people for their approval. That will be the supreme test of its legitimacy.

[*Translation*]

Mr. Speaker, I now would like to speak more specifically to my fellow citizens in Quebec. I am a Quebecer and proud of it. I am proud of Quebec and its culture. I am proud of its achievements and its distinct character, and I hope that our Constitution will reflect that distinct character.

As a Canadian, I am also proud of Quebec, of its culture, its achievements and its distinct character. As a Quebecer and as a Canadian, I know none of this would have been possible without Canada. I realize that Francophones in Canada, and especially in Quebec, are anxious to protect their language and their culture and that the present trend towards globalisation has heightened their concern.

I know how difficult and passionate discussions on constitutional reform can be. In the past, there were insinuations of betrayal and bad faith. The words rejection and humiliation were used repeatedly.

The time has come to put a stop to insinuations. The time has come to examine our consciences. It is clear Canadian federalism can and should be improved. However, we must not forget that we live in a country that is the envy of the entire world, and we must now make it an even better place to live.

Quebec did not develop in isolation. Quebec belongs to the Western world. It had its quiet revolution. It reached economic maturity as part of Canada. The separation option would be a step backward. We must set our sights higher.

Our aim should be to build an even better country, a country whose resources and potential, geopolitical situation and diversity, ideals and values will make it possible for us to excel in all our collective and individual endeavours.

Some hon. members: Hear, hear!

Mr. Chrétien: I know Quebecers are very anxious to constitutionalize the distinct character of their province. Our position is clear: as I have said many times, we want the Constitution to recognize the distinct character of Quebec. We want Quebec to promote the development of its culture and language, and we want the French fact to be present across Canada, and not just in Quebec.

However, we do not want this debate to be divisive. The government has just tabled a new text on recognition of the distinct character of Quebec in the Constitution. We will examine this text very carefully in the light of the principles I mentioned today.

I suggest we look at this text in a reasonable, not an emotional way, and keep a very open mind. I am convinced that by next February, we will have found the right words to enshrine in the Constitution the distinct character of Quebec, without in any way affecting the rights of all the citizens of this country.

Some hon. members: Hear, hear!

• (1120)

Mr. Chrétien: As a Quebecer, a Francophone and a Canadian, I would like to repeat what Laurier said: "We are French Canadians, but our country is not limited to the land we see from the Citadel Quebec. Our country is Canada. Our fellow citizens are not only those with French blood in their veins. Our fellow citizens are people of all races and tongues who came to this country driven by the misfortunes of war, by chance, or of their own free will."

[*English*]

In closing, I want to address a few comments to Canadians outside Quebec. I say to them that the Meech Lake Accord failed for many reasons. One reason was that it did not address the legitimate concerns of aboriginal peoples of the north and of western and Atlantic Canada. I was among those who said that changes and improvements were required.

For a constitution to succeed now the aspirations of aboriginal people, as well as the hope and dreams of the people of the north, west and the Atlantic provinces must be addressed. I have constantly said in Quebec—and I have paid a certain political price for it—that the needs and aspirations of the rest of Canada must be addressed in any constitutional reform package. I said we need a Canada round.

But I want to say to the rest of Canada that Quebec too has needs and aspirations which are legitimate and which must be met.

[*Translation*]

I have said repeatedly in Quebec—at considerable personal cost—that the needs and aspirations of all of Canada must be dealt with satisfactorily in any proposal for constitutional reform. However, I want to make it clear to Canada that Quebec also has needs and aspirations that are entirely legitimate and that must be satisfied.

[*English*]

I appeal to the values we share of tolerance and particularly of generosity. Let us use the next few months to understand that Quebec's distinctiveness makes Canada a greater country. Let us use the next few months to understand that the flourishing French fact across Canada helps us compete in a global society.

Let us use the next few months to understand that aboriginal self-government is a test of our values. Let us all demonstrate over the next few months thoughtfulness, reason, generosity, a willingness to accommodate and a skill to negotiate.

Let us get this constitutional issue behind us so that we can be equipped to deal with the real problems and challenges confronting us.

There is nobody who has been obliged to talk more about the Constitution than I since 1980 so I hope that I will turn the page soon and that we will devote our attention to jobs, to competitiveness, to the environment, to health care, to make sure that we can take our proper place in the world of tomorrow.

Do not forget what this government has forgotten so often, namely that we cannot get our constitutional house in order until we get our economic house in order. The two issues are not distinct. They are intimately linked.

We in the Liberal Party of Canada will be watching and will not permit the government to sweep our economic crisis under the rug once the constitutional dance starts once again.

Our nation has a history of accomplishments. Its history is not one of conflict. The Liberal Party has always worked to build a strong, united Canada. I cherish that legacy, and we shall continue that work of building a strong and united Canada.

There is a lot of work to do to improve this package; a lot of changes are necessary. We all have to work together. This time the people of Canada are watching. I want to tell the House of Commons and the government that we want to achieve the goal of keeping this country together and giving Canadians a new Constitution and a new departure for the 21st century.

But we have to do it in a way that is acceptable to all Canadians. We have to do it in a way that, rather than divide us it will make us closer to each other. We have too much in common to be complacent. This time we will be in a position to make some suggestions, and I hope that the government will listen. The last time my predecessor made some very good propositions in this House, some good amendments, which if accepted by this House, there would have been no crisis. But they were all rejected.

This time we will propose some amendments. We will help the committee to find solutions. We will make sure that every Canadian is comfortable with the new Constitution, because ladies and gentlemen, to be Canadian is the greatest asset we have, it is the asset that we want to give to all our children and grandchildren. Because, in spite of all the problems we are having, when we receive anybody who comes here from another country—like yesterday morning when I had the privilege to meet with

the President of Ukraine—everybody when they look at us envies us.

It is our collective duty to make sure that this fantastic country remains one united, proud and independent Canada.

Some hon. members: Hear, hear.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, today we begin a new journey as parliamentarians, as people of Canada and as a nation. We know it will be a difficult journey. It will sometimes be exhausting, sometimes painful, and that it will require from all of us on all sides of this House, as well as from coast to coast to coast, an openness and a tolerance for the diversity of this country and a commitment for the strength of a united Canada that acknowledges that diversity and which will truly make us strong as we go into the 21st century.

Mr. Speaker, although there will be problems along the way, there is also the promise of a better future. If we travel well and if we move in the right direction and achieve a destination we can agree upon as Canadians, we can build that better country; a united and an enlightened Canada that stretches from the Atlantic to the Pacific to the Arctic Ocean. That Canada is the goal of the New Democratic Party.

I want to make it clear that this does, indeed, mark the starting point of the journey. As the Prime Minister has pointed out, he will be open to suggestions, he will be open to changes. The proposals put forward by the government are just that, proposals. The job of the joint parliamentary committee will not be that of simply selling those proposals or, indeed, selling the point of view of any one political party, but to take these proposals to Canadians and to listen to Canadians.

• (1130)

Today the Government of Canada has put forward its proposals and we have heard those proposals. Now we must go forward to hear the people of Canada.

In the coming months there will be much to say. I am sure there are things that Canadians can agree with in this document, but we must also raise questions and issues as well.

I and my party are committed to an open process. We have agreed to serve on the parliamentary committee because we believe that there we can help to open up that process, a process through which Canadians can truly be heard and listened to, and a process through which Canadians can accept, modify, reject, change or add on to what the government has put forward today. The final outcome must and will reflect the views of all Canadians.

The Constitution cannot be left simply in the hands of politicians, but must be the work of the hands, the minds and the hearts of the people of Canada.

Let me also say at the outset that we recognize that these are tough times for Canadians. Canadian families have many preoccupations; the high unemployment rate, the difficulty in a vastly changing world. It is not easy to think about constitutions and nation building when Canadians are worried about jobs and taxes, about trying to make ends meet. This debate has to be made relevant to Canadians and it has to be meaningful in the day-to-day lives of Canadians.

Having said this, let us be very clear that the stakes are high. We are talking about whether or not Canada will continue to exist as we know it or there will be change. We are talking about holding on to and strengthening a nation that is much admired around the globe.

There is no one who has voted for myself certainly, or anyone in this party, who has given us permission to work to tear this country apart. They have said to us: "We must work to keep this country together and to renew the federation". That is the responsibility I take as the Leader of the New Democratic Party and that is the responsibility that my party assumes and will participate in.

But there are some people in all parts of Canada who say that it is too late for Canada. To them let me cite the words of a first generation immigrant, Rambod Behboodi, who said: "I came here as a guest and Canada was generous as it has been to the generations of guests it has accepted and accommodated in its short and glorious history. For that I am forever grateful. Surely though, we can be generous to ourselves once in a while. Would it not be a tragedy if this haven of sanity in our insane world were to give up on itself?"

I can only agree with that person who chose this country for many of the values that all of us hold dear. It would be a tragedy because we are a nation like no other, populated by the First Nations, a vibrant French speaking society, rich regional cultures, people who have come from every corner of this globe to make up the reality of

Canada in 1991 and to work together as we move to the 21st century.

We are a northern nation of great possibilities, where citizens and cultures come together. I am here because I believe in this northern nation. I believe in its possibility. I believe that though we are far from perfect, we offer the world an example of tolerance and harmony. Yes, we can give to the world some hope. We have a responsibility to others, to ourselves and to those who follow to fulfil the promise of Canada. I am here because I believe we can join together to correct the flaws, address the injustices and create the best Canada we can, a Canada that all Canadians will want to belong to.

Let me turn to the proposals put forward today.

[*Translation*]

It is too early to make specific comments on the proposals put forward today. I will have to examine them thoroughly before I can give an opinion.

I also intend to fulfil my commitment to consult extensively, a promise I made to the members of my caucus and of my party across Canada. However, I would like to say a few words about the vision of Canada presented in these proposals and how it compares with the vision of the New Democratic Party.

I think there are some aspects of this working paper that we can agree on. Mr. Speaker, there are also deep differences of opinion concerning the number of directions put forward.

Let me say, first of all, Mr. Speaker, that I am pleased to see that the government included in its document a number of suggestions made by the NDP among many others. The NDP has long been in favour of recognizing Quebec as a distinct society. We believe that this can really convey to the men and women of Quebec that their fellow Canadians truly accept, respect and understand the differences that exist within our country. We consider such recognition to be an expression of Canada's commitment to maintain and strengthen Quebec's uniqueness.

The NDP is also pleased to see that the government is looking at ways to reform our parliamentary institutions. We believe that such a reform could lead the people from Western Canada, from the Atlantic and the Far North to feel they have a say in decisions affecting them.

[*English*]

We are delighted, to say the least, to see that the government is looking at the abolition of the present non-elected Senate. It is a goal we have held for many, many years in this party.

One also sees in this document movement toward something else my party has long advocated, that is, the recognition of the right of aboriginal people to self-government. In this document, the government does not address the inherent right to self-government and I would suggest that that would be a major part of the discussion as the committee goes forward.

Let me say in this area, that the fundamental principle must be that aboriginal people be involved in every way at every stage, at every step, along the way. The First Nations of Canada must have a prominent place at the constitutional table.

Let me say with respect to the division of powers that it will take some time to fully study the government's proposals. We are talking about some fundamental changes. The New Democratic Party is not opposed to change, but we feel that in each area, there must be a rationale for how that change will meet the needs of Canadian people. In areas such as immigration and culture, for instance, Canadians must be able to see how these changes will in fact directly benefit them because all of these changes will have a profound impact on the future of our nation as a whole and how Canada will come to be defined in the 21st century.

I must re-state that the New Democratic Party believes that a strong Canada requires a strong national government. Any redistribution of powers that takes place must meet one fundamental test for this party. It must not be about meeting the demands of governments. It must be judged on the criterion of meeting the needs of citizens.

• (1140)

It is my view that the role of the federal government must be re-examined. The government has put out some proposals on this. Let us remember, if we try to accept the principle, as I certainly do and my party certainly does, that the diversity of Canada is part of our strength, that the rights of first nations, the distinctiveness of Quebec, the rich culture and contribution of our multicultural, multiethnic communities, the equality of men and women, are fundamental to who we are as a nation. If we are to recognize that diversity in a fundamental

way, we must also recognize that the unity of this country will require a federal government that can represent every Canadian in all parts of the country in the national interest and in the international interest.

I repeat that there are a number of things that we can look favourably upon in initial reading of these proposals, but there are also elements that are potentially disturbing, elements that indicate that this government has a very different vision of the future of Canada, a very different vision. Of course it is the Conservative Party vision of Canada. It is a vision in some instances that is certainly not shared by the New Democratic Party, nor by many Canadians.

It is of course the government's right to put forward its vision in terms of its own political philosophy. If the consultation process, the parliamentary committee is to have any meaning, we must seriously look at all visions of Canada and try to come up with a consensus on what will best represent all Canadians and not one agenda.

I want to raise some questions particularly on the proposed economic union. I believe we can all agree in this House that the reduction of trade barriers, that greater co-operation among provinces and territories, is an important and laudable goal, but we must ask some hard questions.

Does the kind of domestic free trade in people, goods, finance and capital extend the same *laissez-faire* principles of the Canada-U.S. trade deal to a domestic playing field? Will there be winners and losers in this and, if so, how do we deal with that? Could this potentially lead to a whole new round of privatization, deregulation, diminishing social standards and diminishing corporate taxes as we look at this in terms of greater co-operation?

We must raise questions about the ability within Canada to reach the goals that we wish to reach in this economic co-operation if we in fact do not have a transportation infrastructure in place, which is absolutely necessary in a country of this size and which lamentably has been systematically destroyed.

What does the right of corporations to free movement of goods, services and capital mean for weaker provinces that seek to establish their own economic development programs? What does it mean for provincial Crown corporations? What does it mean for provinces or territories trying to support local jobs and fledgling industries? What does it mean for affirmative action? What are the implications of this form of economic union in terms of aboriginal self-government agreements?

Economic union that only addresses control and harmonization but does not mention initiatives to have greater regional equality and to strengthening section 36 of the Constitution on regional equality falls far short in this party's opinion.

Economic union proposals which suggest that the only role of the Bank of Canada will be to address inflation, not as well to look at unemployment, to look at fiscal and monetary policies as an instrument to address unemployment, fall far short of what we can be and can do if we are to have greater co-operation in the economy across this country.

While we support greater co-operation and while we support looking at a renewal of the relationships among the provinces, territories and the federal government in economic areas, we must also not simply take a defensive posture but a posture that says in this economy that we will reach out, that we will initiate to seek greater equality, and that that will be a strong commitment of a federal government, any federal government of any political party, and a fundamental part of our Constitution.

Part of the proposals on the economic union includes a council of federations. There are again many issues that must be discussed in terms of what that council will do, what kind of decision-making powers that council will have, how those will mesh with the decisions of the House of Commons, and indeed what implications a council of federations has, which according to the document is to make many decisions, when in fact aboriginal groups will not be included on that yet will have, according to the same document, aboriginal self-government agreements.

Therefore there are questions to be raised. We will be doing so in a constructive manner with alternatives.

I find what is important as we move into this process at this point is that we are constructive and we do present

proposals. When we raise our vision of Canada and our alternatives, it is not simply to discredit someone else. It is because we truly believe that each of us in this House, each political party, has a contribution which will be fundamentally in the interests of Canada and that, if all of those contributions can be brought together, we will have the kind of consensus on a constitution that we must have. As we know, a constitution is not simply the government's constitution, the New Democratic Party's constitution or the Liberal Party's constitution; it is a constitution for the people of Canada now and in the future.

I also find it somewhat disturbing that the proposals put forward today include such things as the entrenchment of property rights but make no mention of a need to entrench social rights.

I have to ask what this says about the kind of Canada the government envisions. What kind of constitution will it be if corporations have rights such as to pollute the property they own when children have no recognized rights to health care in this country? Surely our goal for Canada must not simply be to further the rights of private interests but to further the rights of Canadian families and to further the public good.

[*Translation*]

What is missing in these proposals, Mr. Speaker, is a Canadian Charter of social rights to recognize and define the rights of the Canadian families and foster the public good. This Charter would define our social rights, such as the right to health care, to equality, to a decent standard of living and to collective bargaining. It would also define the responsibilities of the citizens, men and women, and those of the government to ensure that these rights are respected. In fact, a Charter of social rights is a commitment from the people of Canada to the people of Canada, a commitment to define the principles and values we share, to protect the institutions and programs that reflect these principles and values, to determine what it is we want to accomplish and to find a way to reach our common goal.

[*English*]

The Constitution is, in a word, about freedom. The rights to equality, to recognize diversity, the rights of individuals are enshrined in the Charter of Rights and Freedoms. But there is no freedom without public health care. There is no freedom for the worker without a job. There is no freedom for the woman without equality. There is no freedom for the child without education. There is no freedom for the minority without human rights.

• (1150)

A charter of social rights would direct governments to provide quality health care, work toward full employment, move society toward equality, provide education for our young, and ensure that the human rights of all are respected.

A charter of social rights is about creating greater freedom. Surely that is a goal that all members of this House embrace.

As we enter this remarkable period in our history, the question confronting Canadians is: Can we agree upon a vision, a vision of this country, a destination that we can all share? I believe we can do that.

Canadians are a caring and a tolerant people. We are a people who celebrate the richness of our society and value the bonds we share. We have a history of drawing on each other's strengths and compensating for each other's weaknesses. We have a future, if we choose it, of a stronger partnership, a shared prosperity, equality and freedom.

I recently read an article about the opening of a new school in Toronto. During that opening the school choir of 75 children from every racial and cultural background, 75 very different children growing up together, learning to live together, singing together, performed some compositions. Among the songs they sang were *Dare to Dream* and *Look Beyond Tomorrow*. Let us think of these children as we enter this new phase in the development of Canada and of our Constitution. Let us dare to dram and let us look beyond tomorrow.

Some hon. members: Hear, hear.

* * *

CANADA LABOUR CODE

MEASURE TO AMEND

Ms. Joy Langan (Mission—Coquitlam) moved for leave to introduce Bill C–292, an act to amend the Canada Labour Code (severance pay).

She said: Mr. Speaker, the purpose of this bill to amend the Canada Labour Code for severance pay is to provide that in cases of substantial lay-off employees who have at least 20 years of employment with the establishment shall receive severance pay amounting to six months' wages. The bill also provides for 16 weeks' notice of lay-off.

At a time when we are witnessing substantial lay-offs, it is important that workers who will be forced to relocate and find new employment be compensated for their years of service to their previous employer. This is especially important for older workers who will have a more difficult time in finding alternate employment.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Ms. Joy Langan (Mission—Coquitlam) moved for leave to introduce Bill C-293, an act to amend the Canadian Human Rights Act, the Canada Labour Code and the Public Service Employment Act (whistleblowing).

She said: Mr. Speaker the purpose of this bill is to provide for sanctions against public sector employers who discharge or otherwise discipline employees for what we call blowing the whistle, a serious misconduct by the employer.

The measures in this bill would be to protect the employee who, when acting in good faith, makes known to the public actions by the employer or actions being considered by the employer that are illegal and contrary to public policy or which would endanger public health and safety.

The bill would amend the Canada Labour Code, the Public Service Employment Act, as well as the Canadian Human Rights Act. It would then apply to all employees and employers who fall under federal jurisdiction.

Whistleblowing protection is needed if employees are to be free from threats or intimidation if they report on the misconduct of their employer.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

MOTOR VEHICLE FUEL CONSUMPTION STANDARDS ACT

MEASURE TO AMEND

Mr. Ross Harvey (Edmonton East) moved for leave to introduce Bill C-294, an act to amend the Motor Vehicle Fuel Consumption Standards Act.

He said: Mr. Speaker, it just seemed to me, on a day when the attention of all members of the House quite properly was directed toward the saving of the country, we might spare a small thought for a small measure to aid in the saving of the planet.

In 1982 this House passed the Motor Vehicle Fuel Consumption Standards Act. That act has never been proclaimed. The goal of the bill before us today is simply to amend the last section of that act to provide that it will come into force on January 1, 1992. At that time, the original act would take effect which allows the cabinet to set fuel standards for new cars, vans and trucks to reduce emissions to fight the greenhouse effect on this planet. It is a small measure, but great things come from an aggregation of small measures.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

• (1200)

FISHERIES ACT

MEASURE TO AMEND

Ms. Lynn Hunter (Saanich—Gulf Islands) moved for leave to introduce Bill C-295, an act to provide for the imposition of certain economic sanctions against countries that engage in driftnet fishing and to amend the Fisheries Act.

She said: Mr. Speaker, as today is United Nations Day, I think it is appropriate and I feel very fortunate to have the opportunity to introduce this bill, which most nations of the world have seen fit to support via the Wellington Convention.

Driftnet fishing has been widely condemned for the destruction caused to non-target species by the hundreds and thousands of miles set daily in the oceans

ament lines which have been cut loose and continue to trap and drown vast numbers of marine mammals.

This bill amends the Fisheries Act, providing the option to set duties or bans on countries which may be intruding upon the global commons, threatening the viability of fisheries, or insisting on driftnet fishing which could lead to the extinction of species.

I am pleased to offer this bill to the House for the consideration of the hon. members and to all Canadians.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT

MEASURE TO AMEND

Ms. Lynn Hunter (Saanich—Gulf Islands) moved for leave to introduce Bill C-296, an act to amend the International Development (Financial Institutions) Assistance Act.

She said: Mr. Speaker, it is indeed a pleasure to introduce this bill which will complement the Canadian initiative to ensure that economic development meets the needs of the people and the environment.

This bill will act to ensure that any activities Canadian institutions offer the international community will first be required to consider the impact on the human and natural environment.

As you know, Mr. Speaker, the Minister of the Environment introduced such a process this year to Canadians, saying that the environmental implications of all proposed federal policy and program initiatives will be considered before decisions are made.

The intent of this bill extends our commitment to the international efforts in which Canada will be involved, offering a similar review process and commitment when providing assistance or endeavouring to undertake co-operative development.

I dare say that through amending this bill to the International Development Assistance Act, Canada will truly be attempting to practise what we preach.

The world, its people and the environment will truly be considered in all efforts by Canadians. I am pleased to offer this bill to the House for the consideration of all.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

Mr. Rod Laporte (Moose Jaw—Lake Centre) moved for leave to introduce Bill C-297, an act to amend the Canadian Wheat Board Act (oats and barley).

He said: Mr. Speaker, this bill is a result of a removal of oats from the Canadian Wheat Board in 1989 by an Order in Council.

Since that time many producers in Saskatchewan and throughout western Canada have expressed some great concern that the Wheat Board can be affected simply by an Order in Council and not by Parliament itself with an open and proper debate.

Therefore, the purpose of this bill would be to amend the Canadian Wheat Board Act to include oats and barley under the Wheat Board and that there could be no changes to oats or barley without this House, the Parliament of Canada, passing such legislation and such changes.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ralph Ferguson (Lambton—Middlesex) moved for leave to introduce Bill C-298, an act to amend the Criminal Code (cattle and other animals).

He said: Mr. Speaker, the intent of this bill is to give livestock owners the opportunity to defend their livestock from attacks by packs of stray dogs.

As a farmer, I have witnessed livestock breaking out of their feedlots and corrals to escape vicious attacks by packs of stray dogs. It took days to round them up and to get them back to their quarters and calm them down. I have witnessed sheep that have been attacked and killed, others disembowled, and some others terrorized to the point where they never recovered.

Ranchers and farmers need this legislation. They need the right to protect their livestock, which is their livelihood. They have asked for this legislation.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. Rod Laporte (Moose Jaw—Lake Centre) moved for leave to introduce Bill C-299, an act to amend the Income Tax Act (travelling expenses).

He said: Mr. Speaker, many people living in rural Canada work a long way from their homes; Canada is a rural country. The problem is that these people cannot make reasonable travel deductions on their income tax for this purpose. When we have people travelling great distances to go to work, it seems only fair and right that in order to assist these people that there be proper tax deductions.

The purpose of this bill would be to allow taxpayers living more than 50 kilometres from their place of work to deduct travelling expenses. Lawyers do it, business people do it; working people should be able to do it as well.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. Rod Laporte (Moose Jaw—Lake Centre) moved for leave to introduce Bill C-300, an act to amend the Income Tax Act (tuition credit and education credit).

He said: Mr. Speaker, education should be one of the basic rights in this country and we should do what we can not to deny anybody such a fundamental right.

The purpose of this bill would be to expand the possibility of deductions for income tax purposes with respect to education, specifically for students in a public school situation where usually the parents or the students themselves have to pay for particular subjects. They would be able to deduct those expenses for income tax purposes. As well, the bill would allow the minister to expand to special institutions, such as institutions for the deaf or such institutions of that nature, to allow for deductions as well for tuition fees paid for that particular purpose.

• (1210)

Motion agreed to, bill read the first time and ordered to be printed.

* * *

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Mr. Rex Crawford (Kent) moved for leave to introduce Bill C-301, an act to amend the Financial Administration Act (financial information). He said: Mr. Speaker, I am pleased to rise in the House today to present a bill to amend the Financial Administration Act (financial information). This bill will provide Parliament and all taxpayers with better long-term information on financial planning. I am responding to many in my riding who are tired of government spending that gives no thought whatsoever to the average taxpayer. We want accountability from our government.

This bill ensures that all government programs must be costed out fully and completely. If a department or program goes over budget, then the Auditor General and the public accounts committee will examine it, demanding the reasons for the extra cost and the alternatives that were considered before concluding the excess was unavoidable.

As a former municipal politician, I know that governments at all levels must be forced to stay within a budget. This bill will do that.

Motion agreed to, bill read the first time and ordered to be printed.

* * *

POINT OF ORDER

REQUEST TO WITHDRAW MOTION NO. M-14

On the Order: Private Members' Business:

M-14—Mr. Rodriguez

That, in the opinion of this House, the government should protect Canadian workers by amending the Bankruptcy Act, including in amendment measures to increase the dollar amounts allowed to employees as secured creditors.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, if there is unanimous consent, I move that Notice of Motion No. M–14, standing in my name on the Order Paper under Private Members' Business be discharged.

The Acting Speaker (Mr. DeBlois): Does the House give unanimous consent that the motion tabled by the hon. member be withdrawn?

Some hon. members: Agreed.

Order discharged and motion withdrawn.

* * *

PETITIONS

CFB CORNWALLIS

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I have the honour to present three petitions signed by concerned citizens in the southern end of Nova Scotia who want to remind the government that CFB Cornwallis has first rate facilities that could easily accommodate any new duty, in addition to recruit training, that the Department of National Defence might require.

The petitioners ask this House and Parliament to urge that the Department of National Defence not only maintain but add to its operations and to find ways to use CFB Cornwallis.

VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise again to present a petition signed by a number of residents of Canada, members of Transport 2000 in Saskatchewan in particular, but also people from Thunder Bay. It is consistent with the remarks that my leader made during her speech on the Constitution today that you cannot have a country unless you have a good transportation infrastructure.

The petitioners call upon Parliament to support the NDP plan to restore VIA Rail services cut on January 15, 1990, maintain and where appropriate upgrade remote services on which many Canadians rely, provide a legislative mandate for VIA Rail, and make available to VIA the resources which it needs to become a modern passenger rail system in a class with those throughout the rest of the western world.

[*Translation*]

OXYGEN CONTENT OF FUEL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and privilege to present a petition signed by several hundred citizens from the riding of Glengarry—Prescott—Russell who are asking the federal government to impose a minimum oxygen content in automobile fuel of 3.2 per cent, thereby eliminating the need for the compound named MMT.

I would also like to take this opportunity, Mr. Speaker, to congratulate the hon. member for Lambton—Middlesex who drafted this petition.

CABLE TELEVISION

Mr. Don Boudria (Glengarry—Prescott—Russell): I have another petition, Mr. Speaker, which was also signed by some of my constituents from Glengarry—Prescott—Russell, the nicest riding in Canada, naturally. The petitioners are asking the Canadian government to stop treating them in a discriminatory fashion in the area of cable television.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I would ask the all questions be allowed to stand.

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C–32, an Act to amend the Canada Assistance Plan, be read the second time and referred to legislative committee F; and the motion of Mr. Vincent (p. 2536).

The Acting Speaker (Mr. DeBlois): I would like to inform the House that due to Ministers' Statements, Government Orders will be extended for 1 hour and 47

minutes pursuant to Standing Order 33(2)(a) as follows: 60 minutes between 1 and 2 p.m. and 47 minutes starting at 5 p.m.

[*English*]

The hon. member for Dartmouth has three minutes left.

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, I usually cannot say my name in three minutes, but I will do my best to try to conclude by contribution to this debate on this very regressive piece of legislation, Bill C-32.

Yesterday I focused my opposition to this particular piece of legislation by using some examples of what this government's economic policies have done to some of the poorest parts of this country, particularly Atlantic Canada. At that time one of the members opposite indicated, at least I heard them mutter from across the aisle: "This is not going to affect Nova Scotia. You are not one of the have provinces, where there is going to be a cap put on CAP".

Just because you come from a have not province does not mean that you do not have enough good and caring left in your heart and concern for this country that you cannot get up in this Chamber and speak for those you, perhaps, do not represent legitimately as a member of Parliament from a particular riding, but you do represent as a member of the Liberal party in this Chamber. There are a lot of Nova Scotians and Newfoundlanders in Ontario and Alberta and other parts of this country who are going to be affected very badly by this piece of legislation.

In Bill C-32, the government is attempting to put a cap on CAP, the assistance that is given to the poorest of the poor, the dispossessed, those who are down on their luck. It would do us all very well to just reflect for a minute on what this is going to mean.

There is nowhere in this country, rich or poor province, where the level of municipal social assistance that is paid does anything but keep the recipient of that social assistance and their family absolutely entrenched in a cycle of poverty. In this country an individual who finds himself in need of support and has to rely on a provincial or a municipal government for assistance has nowhere else to go to get enough to feed his family, have adequate housing, to be able to clothe his children and to be able to feel that he is contributing.

What this bill effectively does is rob those provinces that are affected by this piece of legislation of the ability to enhance social assistance payments. Every member here, probably every weekend when they get home and hold office hours, has somebody in—and I know I only have a minute—but I want to use an example that was used yesterday by my colleague from Ottawa—Vanier. It is a startling statistic.

• (1220)

According to Statistics Canada, if you have a family of four with two parents working at minimum wage—working at minimum wage—those individuals live below the poverty line in this country. We are talking about the working poor. Another startling statistic is that in 1988 there are nearly one million children who are living in poverty.

In conclusion I want to say that this bill will do absolutely nothing but ensure that those who find themselves in that despair will find that their despair and misery will increase.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I want to congratulate my colleague from Dartmouth who showed not only the goodness in his heart in speaking on behalf of his colleagues from the three provinces involved, but also to draw to the attention of the House, and indeed to the viewing audience, that we in the Atlantic region are not so concerned with our own province that we can't look at the country at large. But I can assure you, Mr. Speaker, that as I stand on my feet today, I would think that the hon. member for Dartmouth, despite the largesse of his heart is probably more concerned about Atlantic Canada right now. And it is that sort of thing that has caused us to rise to this occasion.

I would like to ask the hon. member for his comment on the following aspect of this, which quite frankly has bothered me for some time and continues to bother me. Presumably, this bill is the government's response to try and reduce the debt, by transferring the debt of the national government to the provinces. I can understand that as a cost saving measure, but quite frankly I am getting a little sick and tired of hearing the government from across the floor blame this debt on Liberal policies. I think after seven years of trying to run the country it

should now have another system of trying to find the reasons for why we are in this condition that we are in right now.

I know the member campaigned—we met a couple of times during the campaign for the 1988 election. Mr. Speaker, I recall quite well promises being made, and in particular the promise of child care, for I think it was around $4 billion. This government, as one of its election promises, was very adamant that it had a program and it was prepared to look at it, and it even put a cost figure on it of $4 billion. I mention that, not as a specific program, although I was very concerned about that.

But I was also concerned that there was another $8 billion of promises. I was somewhat concerned about this, because while the public debt was not a major issue at the time, certainly not when the government was campaigning, I think most Canadians were concerned with that. I recall the Minister of Finance of the day saying that: "These are not campaign promises; they are in the program. We are going to spend that money. They are commitments".

Mr. Speaker, days after—in fact, I think it was in the next budget after the election and this government's first budget—there was no sign of child care. There was no sign of child care in the next budget or many other of these promises, not the least of which was a prison in my riding that was clearly an election promise, though I expect it will start to surface again as one of their promises.

I would like to ask the hon. member for Dartmouth for his comment and his feeling on these kinds of promises that are made, on the one hand, and on the other hand trying to cut back and blaming it on the Liberals because "we now have to transfer all these debts that we can't manage to the provinces".

Mr. MacDonald (Dartmouth): Mr. Speaker, my hon. colleague has raised some very salient points. As members from provinces that are have not provinces at this time, to try to keep us from yelling too loudly against this bill, the government has said; "Don't worry about it, because it is not going to affect you, and you, of course, can trust us when we tell you that".

This is what it goes back to, a matter of trust. I remember clearly during the 1988 campaign that this government opposite also made a number of other promises dealing with the well-being of families and the fiscal ability of families to make a living. One of them was child care. We remember that anybody who campaigned in that election said that child care was not a promise; it was a commitment. We also heard that regional development was not a promise; it was a commitment. We also heard that real tax reform that would save people money was not a promise; it was a commitment.

Just as with the prison in the hon. member's riding, we all found out very soon after the election that those commitments were written with disappearing ink. It is little wonder that people on our side of the House who stand with the majority of Canadians in opposing this piece of legislation say: "No, no, don't tell us now this is a measure that is only going to take place until these guys opposite can get their fiscal house in order. We do not believe them for a minute. Do not tell us that Nova Scotia, Newfoundland, the Northwest Territories, Saskatchewan, Manitoba or Quebec is not going to be nailed by the broadening and deepening of this particular regressive piece of legislation, because we simply do not believe them".

The record of this Conservative government in fooling or misleading the people intentionally or unintentionally during campaigns is there for all to see. The Progressive Conservative government gets up in this House and indicates that this is necessary for fiscal responsibility.

"The economy is in really good shape", do you remember, Mr. Speaker, during the campaign? I certainly do in Atlantic Canada. My hon. colleague from Newfoundland remembers. The Prime Minister went around and promised that he was going to cause prosperity to break out all over, to inflict prosperity on this country.

He certainly has not inflicted it on the Atlantic fisheries. My hon. colleague from Newfoundland probably spends most of his working day. It is a long day when he goes back to his constituency, having to deal with the economic chaos caused by this government's policy in dealing with the Atlantic fisheries.

When I go home to my riding I have to deal with individuals who are living below the poverty line. Every time they make a purchase they are paying the GST on it.

In conclusion, I want to reaffirm and agree with my hon. colleague that this is the thin edge of the wedge. This government is absolutely not credible when it comes to making promises on fiscal responsibility and prosperity.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have to tell my colleague that I am a little confused by the explanations given to us by the government. Perhaps he could clarify this for us.

We heard during the last election campaign that campaign promises were different than commitments, but the net effect has been that both the commitments and the promises were broken.

I ask my colleague whether he recognizes the difference between a Tory promise and a Tory commitment, because I cannot.

Mr. MacDonald (Dartmouth): Mr. Speaker, quite simply there is no difference. They are both worthless.

Some hon. members: Hear, hear.

Some hon. members: Oh, oh.

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I feel honoured to rise to speak after the hon. member for Dartmouth who has made such a fine and cogent presentation. In fact, I would rather not follow him because it is always very difficult to follow his dynamic and outstanding presentations in this House. I am sure his constituents are very proud of him this morning.

I want to address this again because while the hon. member did speak well it was the last part of the presentation that was started yesterday. To assist in the flow and continuity, and quite frankly to refresh myself on this, I would like to make it clear what the purpose of this bill is.

An hon. member: Oh, oh.

Mr. Mifflin: The hon. member from across the floor laughs.

There have been so many bills dealing with a number of items that I would like to find out if Bill C–32 is in fact a bill to cap what is called the Canada Assistance Plan and applies to the three richest provinces in the country: Alberta, British Columbia, and Ontario.

Some people may ask, and those in my riding who are watching me may ask: "Why is the member for Bonavista—Trinity—Conception speaking on problems in Alberta, British Columbia and Ontario?"

• (1230)

There are two answers to that. One is that as a member of Parliament I am very conscious that I am a member in this House and represent primarily my riding. Certainly the last couple of months has been very focused on the disastrous fishing we have had and the effort on the part of me and my colleagues, and indeed the whole Liberal Party and caucus, in trying to get the government to address that problem now, not two or three months later or weeks later. People are without money and they are hurting now.

While that is a major concern, as a federal member I feel it incumbent, in representing my riding and my constituents, to speak on behalf of Canada and to be involved in things like the constitutional debate that we heard this morning and to concern myself about measures that are taken by this government, whether they apply to Bonavista—Trinity—Conception, Newfoundland or to the rest of Canada.

The second reason is the primary reason. The primary reason is that cutting off or reducing the assistance programs to these people and these provinces in which, by the way, quite a large percentage of Newfoundlanders live, indeed from my riding, will indeed affect them as I will later point out. It is very important to understand that these provinces that get what is called the Canadian Assistance Program for which this bill is meant do not receive federal equalization payments like we do in Newfoundland.

I want to express my concern for the equalization payments that were cut off to the Atlantic provinces because they are equal to this cap that is now being put on the Canadian Assistance Program. By way of illustration, I want to relate to you, to this House and to my colleagues, just what the transfer of payments and the restriction have done in my province and in my riding.

I do not want to go through the revelation again of pointing out the promises that were made. Indeed, one promise shortly after this government was elected was to reduce the deficit despite 22 income tax increases in that time and the imposition of the despicable and hated goods and services tax at a time it could not have been worse, not only for the economy of Newfoundland and Atlantic Canada but for the rest of the country. This was at a time when there was a made–in–Canada recession

that this government admitted to finally after being cajoled and reasoned by other members on this side of the House.

On top of all that, then, was a measure—and to me it was a despicable measure and a measure that I was not comfortable with—to to reduce the debt on a national basis. Basically this government is giving up the responsibility that traditionally the federal Government of Canada as a strong central government has had for those difficulties in the economy and those regions in Canada that were hurt the most.

That was one of the reasons this country was formed in 1867. It was, from a central viewpoint, to be able to cope with the problems that regions had. As each province joined then there was a better ability on the part of the central government to handle these regional problems. I very much regret that the government is divesting itself of that responsibility. It bothers me tremendously.

Since I have been a member of Parliament I recall the 1989 budget. Although it did not particularly contain great CAP measures or reductions in transfer payments, at that particular point in time it did close various parts of Atlantic Canada. I think VIA Rail was concerned and other measures mitigated tremendously against the economy. Then in 1990 there was a signal from the budget that we would have difficulties in transfer payments and in particular the 1991 February budget extended the freeze on the transfer payments to the budget year 1994–95. There had been a two-year freeze from the previous budget, and then in February we saw a freeze for another three years.

This came on the heels of lower payments in other areas. It came at a time when we were trying to standardize levels of service. It came at a time when the economy of the country was heading downhill and the economy of Atlantic Canada, because of the reduction in the economy due to poor fishing in Newfoundland and other factors in the rest of the province, became a major concern. On the heels of this dismal economic outlook, we had inflicted on us the reduction in transfer payments.

Mr. Speaker, I think you would appreciate, as all members of the House would, that it is very difficult to get a precise dollar figure on this because it is based on certain projections that would determine what the transfer payments would have been if this restriction had not been placed.

A figure that certainly I see recurring—I can agree more or less with this figure—is that the activation of the reduction of transfer payments as it applies to the provinces other than the three being considered by this bill is in Newfoundland, $148.6 million in the last three fiscal years; Prince Edward Island, $33.8 million; Nova Scotia, $230.8 million; and New Brunswick, $167.3 million.

It may be higher now because of economic factors, but as far as I and my colleagues are concerned the net effect of these developments has been to erode Ottawa's contribution to provincial treasuries in the Atlantic region rather severely.

To give some indication of the totality of what this means, we in Newfoundland, and indeed those in the rest of Atlantic Canada, rely largely on the central government and on these Ottawa transfer payments for a percentage of our annual budget.

The net result of what was done, the subject that is being discussed right now, is that the proportion of Newfoundland's total current account, the revenues in the budget of last year coming from federal resources, was down from 50 per cent in the previous year to about 45 per cent.

That is a 5 per cent reduction. That is incredible. Corresponding figures applied for Prince Edward Island, for Nova Scotia and for New Brunswick.

I do not have to point out to anybody who is listening to this from the Atlantic region the downstream effect that this has had. Irrespective of the stripe, colour and kind of government, they have had tremendous difficulties in coping with the financial difficulty that this has transferred to their government, to their caucuses and cabinets and eventually to their people.

The net effect of this cap has been the same, because these transfer payments are essentially meant to assist those who need it the most.

The CAP program *per se*, as I see it, helps those who are helped in a similar manner by the transfer payments. I am looking at health, social assistance and, to a certain extent, education.

[*Translation*]

Mr. Speaker, among those who benefit from the Canada Assistance Plan and the other social services are, firstly, the children who need protection because they suffer from abuse or neglect, but also the handicapped, whether physically or mentally, single parent families, older persons, the unemployed, families and individuals in distress, low-income workers and battered women.

[*English*]

CAP is the main component of Canada's social safety net. We have heard that so many times that I think it means so much to so many people. It is the last resource for those who have exhausted or have been denied all other forms of financial assistance.

In 1988 and 1989 for which there are solid figures this program benefited 1.853 million Canadians from the social assistance provisions. Now 46 per cent of these recipients live in British Columbia, Alberta and Ontario which are the provinces that would be affected by CAP. This was related and spoken to in great lengths when Bill C-69 was being discussed. The inadequacy of social assistance benefits is a leading cause of child poverty in Canada.

• (1240)

I do want to return to something that I spoke about earlier here this morning. I did indulge the House to a certain extent and was supported by my hon. colleague from Dartmouth in his presentation of his concern. I have to reflect on the difficulty I have with a government that is trying to convey the impression that it is caring, that it is concerned, and that the needs and the cares of the ordinary person matter to them.

I would attribute and I would ascribe that concern to them because I know a lot of the members across the floor of the House. I deal with them on a regular and hopefully often a non-partisan basis, people like yourself, Mr. Speaker. I know that as individuals there are caring people on the other side of the House. But I have some difficulty understanding how that is translated from the individual concerns to the government as a group of people trying to run the country. I do not know how much influence the caring members have but there are many examples of that.

Mr. Speaker, I will give you one example. While it may not be directly related to caps, transfer payments and equalization payments, it certainly is a concern that we see every day. I have seen it every day. In particular, I have seen it since about May of this year.

I am not unlike any other member. I am not going to stand up here and take credit for travelling through my riding extensively. Every member pretty well does that, any members that are worth their salt. It is one thing to hear about it on the radio. It is something else to go and talk to an individual and say: "What kind of a year are you having?" We do this not only to listen to their words but to see the look on their faces, to see the despair, the emotion, and to talk to their families—their wives, fathers, mothers, brothers and sisters—to see the difficulty they have in coming to grips with just the thought that no one really cares to the point where they are prepared to do something for them.

I wish it were otherwise that I had to stand up here and ask for assistance from the government for the people whom I am responsible for in Bonavista—Trinity—Conception. In the first instance we had a situation in Newfoundland where the ice conditions were extraordinary. I have a background in marine subjects. I have spent essentially a lifetime at sea. I am from a family that has spent a long time at sea. I am from a province that has a seagoing heritage which needs no amplification here.

I have never seen a year like this. In the memory of those people to whom I speak, they have never seen a year like it either. Fishing normally starts in May, cod fishing. This year, May came, no fishing; June came, no fishing. In fact every week fishermen were trying to get their nets out and catch some fish, essentially cod, and they could not even get their nets out. When they got their nets out they were destroyed.

I will have to say that the government eventually did come up with a rescue package the day before this House closed on June 18, I believe it was. It was for $18 million. I am grateful for that and my people are grateful for that.

However, every single day and every single week there were questions in the House of Commons. The people who finally got some assistance had to go through a living hell to get that. They did not know they were going to get it. Every day I would get 40 to 50 telephone calls toward the end saying: "When is something going to be done for us?" Eventually there was recognition that something

had to be done and eventually there was consideration shown.

The point I want to make is that the human anxiety people went through before this aid package was given was something that I am physically and mentally incapable of portraying to this House of Commons. Equally, beyond that we are in the same position, except it is worse because more people are involved and the financial constraints and financial implications are even worse. I am going down to my riding this weekend and I know I am going to be speaking to yet more fishermen, more plant workers and plant owners. Everybody in the riding is affected by that. They are asking me: "When is something going to happen?"

Most of them have seen me and my other colleagues in the House ask the Minister of Fisheries and Oceans and the Minister of Employment and Immigration when something was going to be done for these people. Their answer is: "We are working on something and we will let you know when it is ready".

I cannot go back to my riding and tell people: "Well, I cannot do any more because the government is not ready yet". My responsibility, as I see it, is to explain the problems of my riding to this government and not to go back and explain to Bonavista—Trinity—Conception why this government has a particular policy.

In other words, I am here to express the policies and concerns of my constituents to this government and not to go explain government policy back to my constituents. I have to do it sometimes, particularly when it affects them. Surely, it has to be a two-way street and surely my responsibility is primarily to represent them in explaining to this government what their problems are instead of going back and saying to them: "This government has a problem because it has not been able to reduce the national debt despite 22 tax increases, the goods and services tax, the cutbacks on VIA Rail and the cutbacks on this and that".

The cutback in Atlantic Canada, in my province, is such that one has to live in the United States to call a toll-free number to cross on the ferry. If one lives in Newfoundland one cannot call a toll-free number to make a reservation to go across the gulf either from Argentia or from Port aux Basques. That is totally unacceptable. It is totally uncaring. It is a small thing, but it irks people. They believe that somebody up here, the governing party, really does not care about them.

I see that my time is coming to a close. I want in closing to make three final points.

The first point is that for all the reasons I and and my other colleagues have mentioned, we in the Liberal caucus are consistently opposed to this limit on the Canada Assistance Program.

Second, we do not support the measure that transfers the burden of national debt and the federal deficit reduction on to the backs of poor Canadians. Why should rich Canadians pay for poor Canadians? That is not the concept of this country. That is not what we believe in. That is certainly not what I believe in, as an individual who represents people who are not rich.

Finally, while the government may have the legal right because of a Supreme Court judgment to cut welfare payments to the provinces, I do not believe there is a moral right to abandon its responsibilities to poor and disadvantaged Canadians.

Mr. Sid Parker (Kootenay East): Mr. Speaker, as a member of Parliament from Kootenay East, British Columbia, I feel compelled to speak out against this regressive legislation. It is no wonder that we do not see in the House Conservative members from British Columbia getting up and supporting this piece of legislation. That is because it is a cutback in social programs for the province of British Columbia. As a member of Parliament who represents an interior area where many people are subjected to having to use and apply for social assistance, I find this very offensive.

Just for a moment I want to refer back to the last election. As we went through the campaign the free trade debate was the big debate that was going on across Canada. We heard our Prime Minister tell the people of Canada, who were concerned about our social programs, our safety nets on our health and welfare programs and our medicare, that it was a sacred trust and we did not have to worry about it.

I want to say that they do have something to worry about. We have seen the changes to our Unemployment Insurance Act. We have seen the changes to our hospitals and so on. We have seen the waiting lists of people trying to get into hospitals and so on. We have seen the cuts in post-secondary education. Now we see Bill C-32, an act to amend the Canada Assistance Plan in British Columbia, in Alberta and in Ontario. The rationale of this government is that these are richer provinces, that they can afford it and that it is going to bring about some fiscal changes to the government and try to assist it in its debt.

• (1250)

I want to say to the House and to Canadians that the people who require social assistance do not look at British Columbia as being any richer than any other province. The need is there, the requirement is there, as some of the people in the government would know if they were to sit in some of these offices and hear the problems as I do in my riding with social assistance and the food banks. I visit the food banks. What does this message tell the food banks out there trying to bring a bit of added assistance to people so that they can live a little better? Many of them are single women, many of them are children of single parent families, and so on. What does this message tell the food banks out there volunteering their efforts to try to make their lives a little better?

I want to say that the government is not admiring the work they are doing. It is saying to them: "We are going to make it even harder for you and you are going to have to go out there and beg further and further to try to assist these people".

While this has been going on, the government has brought in changes to our taxation system. It brought in a consumers' tax, a 7 per cent added tax so that even the people who are prepared to share a little more through the food bank systems are finding it harder and harder for themselves. The Unemployment Insurance Act has been changed and people are finding it harder and harder to qualify and to live on unemployment insurance payments. The post-secondary education clauses are being changed and our students who want to go to school and want to carry on are finding that they cannot.

This summer while I was sitting in my office and we were running into the fall session where students were beginning to want to qualify for student loans—and I am talking about a loan; I am not talking about a grant—they would come in to my office and say that they had difficulty getting through.

As a member of Parliament I thought that should not be any problem. I picked up the phone and I phoned the office in Vancouver time after time and that line was busy the whole time. When a member of Parliament cannot get through on the phone to talk to the department, it shows that this government is cutting back even in the areas of answering the telephone to try to assist people. I am finding the same thing throughout the various programs.

I look back at some of the problems I see with social assistance in my riding, where young children of 17 or 18 years of age have difficulty at home and find themselves in situations where they feel they are being abused. They are coming in to my office and I am going down to social assistance trying to find places for these people, and it is not being done.

I want to say to the government, and especially to members of Parliament of this government from British Columbia, that they have a responsibility to this province. They should not allow the government to cut back universality in our social programs, in our medicare programs, in our unemployment insurance programs and in our pension programs. That is what they are doing. The universality of our programs is being attacked in a very mean and cold-hearted way.

I have seen it not only in the social programs. They all affect one another. If we do not have proper health care, if we do not have jobs, if we do not have unemployment insurance, it all reflects back and finally we reach the stage where we come under the social assistance programs.

As the former mayor of a municipality, I want to say to the municipalities in British Columbia that they are also under attack. As this affects the province, it comes down into the municipalities and into the regional districts because in cutting back in these areas where the need is the most urgent they are going to find that it will reflect on the way of life of those whole communities.

It is much harder to receive these services because we are at the very extreme end of the province. Many times you have to fly to Vancouver or Calgary in emergencies.

These are some of the problems that we have and it all relates, because it all comes back to our social assistance programs, our medicare program. I had a case in my riding where someone had a very serious attack and needed to fly by helicopter to Calgary. They got halfway to Calgary and were told to return to Cranbrook because they did not qualify under the air ambulance system of that province. They had to fly under the air ambulance service, and they returned that person back to Cranbrook.

Is that the kind of rationale that we are getting into with regard to our services throughout the country? No. We in the New Democratic Party believe in universality. We believe that the poor and the people who require that assistance should be treated equally in every province throughout Canada.

That is not happening. That is not what this legislation says. Bill C-32 allows for the extension of the 5 per cent limit of the Canada Assistance Plan for the provinces of B.C., Alberta and Ontario. That is not universality. I say to this government; get back to the people. Is it any wonder that your government is running so low in the polls?

I see members from British Columbia sitting there, not getting up and standing up for the rights of our British Columbia people. I want to say to them; stand up and try to defend this piece of legislation because we have an election going on in British Columbia at the present time and the people of British Columbia will want to know where this government stands with regard to the social assistance programs in our province.

This government has a responsibility as a federal government. If the government is not capable of supplying jobs for the people and is not capable of allowing them to go to school to further their education, then surely to goodness we must have programs in place so that they can at least send their children to school with some dignity.

I do not want to leave the thought that there is any dignity in the meagre amounts of money that is available through social assistance programs because it is a very difficult time for children, single parents and the people who require this assistance to try to survive.

Go to the food banks in your riding and stay there on a Wednesday afternoon as I have done. See the people coming in and what their needs are, especially around Christmastime. You see exactly what is going on in your ridings.

I want to say to those British Columbia members that I have no doubt that it is going on in your ridings also.

I experienced a problem in my riding where the mines shut down. There were 800 people unemployed. Right away you might say: "They have unemployment insurance and they have other things," but the effects of that taking place and the impact it has on a community is devastating. It is absolutely devastating.

Without knowing that these kinds of programs are in place, makes it that much worse. For this government to bring about a program that is going to cut this back is just wrong. It is wrong, and the government should be looking in the other direction, to try to ensure that there is work for people, that they are able to live in dignity and earn their wages.

At least have the decency to maintain a social program so that they can continue sending their children to school, clothing their children and feeding them. Do not allow the food banks to have to pick up the extra stress because this government has decided it is going to make the poor and the lower income people suffer.

• (1300)

Also, in the same vein, we have the new changes that the government brought in concerning the UIC. Some of these people came into my office and decided to go on unemployment and upgrade their education so that they would not have to be faced with this problem again. They were told, however, that they did not qualify to go on UIC and upgrade their education.

What are we doing? We are changing legislation that the government wants to get out of so it brings in its unemployment insurance bill which places all of the burden on the workers and on the companies and the government stands idly by and watches things take place. It is all part of the free trade agreement. The people out there know that. The people know that the government is systematically getting out of these programs because of the free trade agreement. This is the first step. It is like the travelling salesman who knocks on the door and the first thing he does is shove his foot in the door. He knows if he can get the first foot in the door that is the first part of his sale. That is what the government is doing here. It is getting its foot in the door, bringing about changes in

these provinces. If it gets away with it, it will then bring about more drastic changes than that.

It does not surprise me that this is the route the government is taking. Everyone knew when the free trade debate was taking place that this was going to be the agenda of the government, to get out of many of these programs and to systematically move out. We have seen it.

Bill C-21 makes UIC harder to get, which makes it run out more quickly and, of course, brings people right back on to the social rolls. Family allowances have been cut back. It again comes back on to the people.

The clawbacks in pensions, less money distributed throughout the communities, cutbacks in the agreements between the provinces; everywhere we look this government has attacked. Where is the child care program that was promised during the election so that single parents, who wanted to get out and obtain another job and increase their method of maintaining their families? It is not available to them.

As I go through the riding, I see that social programs are not meeting the needs of the people at the present time. For this government to bring about a 5 per cent cut in British Columbia is just not acceptable. Yet we see our Conservative members of Parliament from British Columbia sit idly by and allow this to take place.

Mr. Speaker, I know you have a feeling, as I do, for the people in my province and I know that we all must try to bring about fiscal restraint and so on, but there are other ways of bringing about fiscal restraint. The entertainment tax that large businesses and large corporations are allowed to write off is one method of trying to bring about some restraint, but no, this government does not see fit to look at those kinds of proposals. Those people would be their rich friends that they are attacking.

When I read the Ottawa paper on Sunday and I saw an article concerning large buildings that are sitting empty here in Ottawa. But this government has the gall to put forward a program that would say to our people on social assistance: "We are going to have to cut you back because of fiscal restraint." Here is a building that is not being utilized by this government and the taxpayers of this country are having to pay for it. I say to you, Mr. Speaker, that is not good enough. As a member of Parliament from British Columbia, I say that I am deeply saddened that this government would use this kind of approach on the people who can least afford it.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I want to begin by saying something which I think we should all remind ourselves of in this House from time to time, and it is that very few of us are poor. Because we tend not to be poor, we have very little communication and often very little understanding of what it means to be poor.

That gives us an extra obligation every time we debate a bill like this or an issue that affects those with whom we do not have personal connections, to make sure that we endeavour to understand fully and completely the problems that our actions in this House create for others and the effects they create.

I want to say that this bill goes to the very heart of Liberal principles about what Canada is all about and what any civilized society is all about. We believe very much in the value, dignity and worth of every human being and their right to have a society in which each person can develop to the best of their potential and contribute to their society.

We also believe that Canada is a nation based on a philosophy of sharing the tremendous riches we enjoy, riches that are not enjoyed by many nations of the world. We believe in a sharing of those to the benefit of all Canadians so that we can fully prosper in this country and can fully contribute to the prosperity of others.

Those are principles that are very much being violated by this bill that is before the House today. What it says is that if you are strong, well educated, wealthy and able to stand on your own two feet, this society is going to

support you. But if you happen to be sick, elderly, poor, unemployed, psychiatrically disabled, or unable for one reason or another to fully care for yourself and to fully compete in a society that cares only about the strongest surviving, then this society has no place for you. That is what this bill is all about.

This country is an economic union, but it is more than that. It is a union of people who share a vision about social justice, about equality, about opportunities, about progressing and about making things better for people, not worse. Here we are taking a step backwards again.

What is being done in this bill is removing money from programs that allow people to participate in society despite short-term, temporary difficulties that make it hard for them to compete in the way others can. But it joins a parcel of actions by the government which show that only the strong and prosperous matter in this government's Canada. It joins actions against health funding in health programs, it joins cuts to education, all of which are essential investments in this generation and in the next generation and in our country. The fewer people we have who are capable of fully participating and fully developing their talents, the poorer our society is, not just those individuals, but all of Canada and all Canadians.

The Canada Assistance Plan represents the government's contribution to the prevention or alleviation of poverty. It also is much more than that. It is very much a contribution to the development of human beings in our society and therefore to the development of Canadian society. What this bill does is penalize those provinces that have been responsible in how they administer their budgets and how they manage. It penalizes those who contribute most to the prosperity of the rest of Canada through the equalization payments. But it penalizes the poorest within those communities. I can tell you, because my riding is perhaps a good example of this.

• (1310)

Being poor and being surrounded by people who live comfortably and well is very difficult and perhaps more difficult because the support services are not there. The support of the entire community is not there for you. People do not like being poor. They do not like being dependent.

I have worked with people in my community and I have found that it takes so little to break the cycle of poverty for families. It takes so little in the way of programs that are geared toward mothers and children living in poverty, training programs that help young people who started out with a disadvantage in life to have a better opportunity.

We do not want to see programs that simply perpetuate poverty, but programs that give people a basic living while they move toward independence and also to provide a basis of support to those who for one reason or another cannot be independent. There are thousands and thousands of them in Canadian society. We have a healthier, saner society when we look after those who cannot look after themselves.

CAP contributes to basic necessities a very minimal living for people who temporarily need the help of society. We have seen how inadequate it is. We have seen how it is not enough to afford decent housing and so we need special housing programs. It is not enough to afford basic food and so we have food banks and volunteers and churches overwhelmed by the demand for extra support services. There are children going to school sometimes too undernourished to be able to profit from education and so we have in-school lunch and breakfast programs.

We have the implications of cutting back the contribution to the basic necessities of life. The implications fall most heavily on children. Poor children are four times more likely to drop out of school. Is that what we need in Canada? Is that what we need, that large proportion of our young people never finishing school, never developing the abilities they have, never being able to establish a stable and progressive employment record because they do not have the basic tools to work in Canadian society, to be steadily and well employed and remunerated enough to raise their own families? I do not think that is what we are looking for.

Mr. Speaker, you have already heard read into the record the health problems of poor children. I can tell you what happens in the schools when poor children enter kindergarten. They are stigmatized from the first day they enter school because their hair is not as glossy, their skin is not as bright, their clothes are not as nice, their shoes are not as shiny. By the time they have been in kindergarten for three months, before they are even six years old, those children already feel like failures. That is what we do to children when we let them grow up in poverty. That is what this bill will do.

We deprive children of any hope. We deprive their mothers of any hope. We deprive their brothers and sisters of any hope, and we deprive our society of any claim to being civilized and humane.

I know that the government seems very anxious to get itself out of any responsibility for making this a stronger and better society. It seems to think that the private sector is somehow going to take care of all of that for us. I do not believe that. If that were true we would not need governments. We would not need volunteer organizations. We would not need people who are looking constantly for ways to make this a country of opportunity for all Canadians and especially for all the children of Canada.

There is only one taxpayer's pocket, and the government can pretend that it is saving money with a bill like this. I am shocked that I have not seen, as the Prime Minister promised during the 1984 election, a similar massive review of subsidies to government. I cannot tell you how many tens of millions of dollars I have seen just coming across my desk in the last week in press announcements of $1 million here, $10 million there or $15 million there to companies in this country. Nobody has ever suggested that we should start cutting back on some of that money from the government side of this House. No, it is always the poor, is it not? It is always the children, the elderly and the sick that this government thinks should carry the burden of its mismanagement of the debt and the deficit.

I hope, in the better off communities within the three provinces that this government has targeted, social programs are going to survive because there are many communities in Ontario, B.C. and Alberta that have the resources to put in and make up where the government is not fulfilling its responsibility. But other programs in those communities will suffer. Programs that make up the basic necessities of food, clothing and shelter for families, other programs that help them get off welfare, that help them get training, that provide the extra support services needed to make life decent and liveable while they are on public assistance, those are the programs that will suffer. The extra little bit for dental care, for furniture, when a stove breaks, for back-to-school clothes for the children, those are what will suffer because there is only one taxpayer.

Many of those families now in Canada that are unemployed and poor will have to pay through their property taxes for what this government refuses to pay through a much more equitable tax base that it has access to. The property tax does not differentiate about whether you happen to be temporarily unemployed, on pension, poor or not. It is not based on income so you do not necessarily pay according to your means. So more of the burden will fall on fewer Canadians who can afford it.

The government by other actions has made the need for such services even more significant through the cutting back of benefits and unemployment insurance, which hits again most toughly in these three provinces. What it is doing is forcing more people on to welfare. As it is forcing more people on to welfare it is pulling back its own support from those very social programs that help people through a tough time and help them get back on their feet.

The bottom line is that this bill hurts not only those in the provinces that it is directly targeted at—and it is no easier to be poor in Ontario, B.C., Alberta or anywhere else, in many ways it is harder—but it hits our whole commitment to sharing in this country. People from the Atlantic provinces have spoken on this bill because they know that when we abandon that generosity of spirit that says all Canadians are entitled to a decent start and a decent chance, a helping hand over a rough period in their lives, then we start abandoning those segments of our country where we have to provide a little extra help.

It is important to all of us that Atlantic Canada be part of our country, not just to the people who live there. We have to be prepared to make it possible for the people of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland to benefit fully from being part of Canada if we want to enjoy the benefits.

• (1320)

Sometimes that involves paying a price, and we in the Liberal Party recognize there is a price to being Canadian and we are willing to pay it. We resent very much that this government is abandoning our commitment as Canadians to one another.

Mr. Jim Jordan (Leeds—Grenville): Mr. Speaker, I would like to congratulate my colleague from Ottawa West on her usual fine job of presenting arguments in an organized fashion on behalf of Canadians and on behalf, particularly I think this morning, of Canadian children.

I just wanted to get a reaction to something we find so prevalent in the country today. We have seen it mentioned here this morning, I think, by everyone who has spoken in the House so far, and that is the cynicism that is out there in Canada today. One does not have to go looking for it, it is so obvious wherever one goes. It affects politicians at whatever political level they happen to be: municipal, provincial or federal.

I just wanted to get the hon. member's reaction to something which I think has happened within the last week. I think it has some bearing on what she is referring to here in her speech. This cynicism is out there. It is going to take the efforts of all of us. It is something like a disease that is creeping across the land. I think it is going to take the efforts of all of us to try and put any kind of a damper on it.

One aspect of this will affect the hon. member in particular. Almost on the eve of provincial elections being called in two provinces, Saskatchewan and British Columbia, we find this government announcing almost simultaneously, let us put it that way, that an organization which has been headquartered here in this province will be suddenly removed from Ontario and put in Saskatchewan where there is a provincial election coming up within the next five or six weeks.

At the same time something in the nature of a science centre, I guess one could call it—both of these projects are very worth while—was announced. Another project would be put in, dropped in, placed in B.C., and an election was called there.

This is a double-barrelled example of the purest form of cynicism that exists in this country. Surely the Canadian viewing audience can see through the political moves that are afoot there and see it with straight cynicism. If Canadians are becoming more and more cynical, surely this feeds right into the hands of the cynics, and I think is gnawing at the very heart of the nation.

I wonder if my hon. friend from Ottawa West would just comment on that. I know one of those particular things is very near and dear to her.

Mrs. Marlene Catterall (Ottawa West): I thank my colleague. Certainly we are well aware of and understand the cynicism that is growing because we have seen a lack of trust in the government and a well deserved lack of trust. We have proclamations about the sacred trust of our social programs and yet we have—and it is not the first—a bill that is a very denial and destruction of the social programs that were being referred to.

Before every election this government referred to introducing a child care program. Three times it has reneged on that promise. We have seen money cuts to job creation, cutting opportunities for young people. We have seen the slashing of the registered home ownership savings plan so young people cannot afford their first home now. We have seen a surtax that was supposed to disappear when the GST came in. It has gone from 3 per cent up to 5 per cent instead of coming off. We saw Katimavik that gave new opportunities to our young people cancelled. We saw promises about not touching old age security. It was a sacred trust: "On the name and on the word and on the head of my mother I would not touch old age security". Whammo, six months later old age security and family allowances start being reduced and cut. Personal income tax has gone up. Those who are doing well in our society have more disposable income. Those who are poor have less disposable income, and now the feet are being cut out from under them again.

Yes, Canadians see themselves being bribed by their own government to vote the way their government wants not only in federal elections. Oh, no, now they are down there interfering in provincial elections, trying to save Grant Devine's skin. Canadians see themselves being bribed by their own government to vote the way it wants, not only in federal elections, but now they are interfering in provincial elections, trying to save Grant Devine's skin from the negative effects he has created by moving Regina jobs out into rural Saskatchewan. They are moving federal jobs in to fill in the gap he has left, therefore disrupting two sets of families to achieve no positive results.

Mr. Gilbert Parent (Welland—St. Catharines—Thorold): Mr. Speaker, I join with my colleague, the member who just spoke, in questioning the member who made the speech, in saying how much I enjoyed the remarks made by the member for Ottawa Centre.

There was some reference to the way poverty affects school children and I was wondering if the hon. member would perhaps take a more positive role and share with this House some of her ideas on the possibilities not only of cutting back on the moneys that are going in but perhaps inaugurating and instituting a program for younger children, school-aged kids, to be supplied with the basic fundamentals of life. I am talking very basically about at least a nutritious breakfast or something like that for those people who cannot afford it.

This problem is particularly acute in the larger cities, but not only there, and I am aware from my own background of having taught in schools that the problem does exist.

If the hon. member for Ottawa West would perhaps give us her views on that I would be most appreciative.

Mrs. Catterall: I thank my colleague for the question. That is exactly the kind of program that local communities can introduce for their children if they have the resources to do it and if they are not being required to meet the federal government's obligations to meet basic necessities of life through welfare systems.

I think it is even more important to back off a step before that. The successful programs I have seen involved very young mothers before their children were of school age, working with them around their own self-worth and the importance of their role as mothers in raising the next generation so that their children do develop a sense of pride and self-respect, that the mothers learn some skills that perhaps they did not learn growing up in their own families, so that the community as a whole is working to help mothers and their young children develop a new sense of pride, get the training they need, and get out of the welfare system.

In my view, the first thing is the community supporting the role of the mother with her child so that the sense of self-worth comes from within.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I and my colleague voted against Bill C-69 when it was introduced in this House and we will be voting against Bill C-32 at third reading for a lot of reasons. One of the main reasons for opposing these two bills is that we believe they in fact mark the beginning of the end of universal social programs as we know them in Canada.

According to many of the people who do research in the area and from all of the indications we received, by the year 2004, transfer payments to the provinces from the federal government in the areas of education and health care will be zero. There will be no transfer payments from the federal government to the provinces by the year 2004 in the areas of health care and education.

Mr. Speaker, Canadians know that when the federal government is not investing in the areas of education and health care it will not have the kind of say it wants to have in these two areas.

It surprises me somewhat that in the last budget the Prime Minister spoke very eloquently on the issue of education. He spoke about the question of objectives in the area of education. It was a very welcome statement at the time, but when one looks at the actions of the government in terms of Bill C-32 and before it, Bill C-69, one would question the commitment of the federal government to the educational question as well as to the health care question.

• (1330)

The whole issue is centred around reducing the deficit. There are three options which the government can take. One is to shut down operations and keep the taxes rolling for a few years. That will generate enough money and to pay the deficit.

Another option before the government is to do as it is doing now, reduce the services it is providing Canadians to a bare minimum and to attack many of the social health care programs, the social programs, that are very much needed in different parts of the country. It can sell national institutions such as Petro-Canada, Air Canada, VIA Rail and possibly CBC, et cetera, collect all this money and put it towards deficit reduction.

It can shut down a lot of the operations that are in place. We will still have a somewhat limping government, a somewhat half operational government, but we will still have a government and we will reduce the deficit.

There is a third alternative and that is the Liberal alternative, the Liberal way of reducing the deficit and revitalizing the economy in the country as a whole and that is through investment. We do not look at the question of putting money in the area of health care and education as being an expenditure, we look at it as being an investment in the future of Canadians.

The Minister of Finance and the Department of Finance in May 1990 said, when they spoke about the CAP spending restraint, that $147 million would be saved in the year 1990–91 and $154 million in 1991–92. The government at the time estimated that for the next five years it would be saving approximately $2.35 billion in transfer payments to Alberta, British Columbia and Ontario. Then the Minister of Finance of the province of Ontario, Mr. Nixon, estimated that would cost the province about $150 million in 1990–91 and approximately $280 million in 1991–92. The latest estimate which came a year later clearly stated that the loss to the province of Ontario would be approximately $1 billion in one year.

As a result of this move, the total share of social services which are provided by our regional municipality of Ottawa–Carleton will be reduced tremendously. In fact, the Social Planning Council of Ottawa–Carleton predicts that the cap on the Canada Assistance Plan will cut revenues by $596 million over two years in the Ottawa–Carleton region alone. That is a tremendous amount of money, considering the increase in the social welfare payroll on an annual basis in this region is at least 10 per cent every year.

When the federal government cut the transfer payments to the provinces, the provinces in turn cut their transfer payments to the municipalities, and the municipalities find themselves trying to pick and choose, as my colleague from Ottawa West indicated, whether to increase the property taxes or let the people go hungry.

This downloading is creating a generation of people on the welfare market. In many cases they are not receiving the kind of care they deserve because of lack of funding. On the other hand, the government both at the federal level and at the provincial level are just shifting the problem without trying to address it with some sort of strategic plan.

Mr. Speaker, we must look at the impact of Bill C–32 on medicare and post–secondary education. Back in 1976, we had an agreement between the federal government and the provinces which stated that funding for post–secondary education was on a fifty–fifty basis. However, in 1986 the federal government started cutting the transfer payments to post–secondary education by 2 per cent every year, until the famous Bill C–69 arrived, which froze completely the transfer payments for 1990–91 and 1992 to the rate of inflation. From there it started going downhill.

These cuts in transfer payments have affected the delivery of services and programs at universities and colleges. For instance, the 1987–88 budget in the province of Quebec published a table which showed that the federal government would no longer put any money into medicare in Quebec by the year 2004, as I indicated earlier. That was with only the 2 per cent reduction in the federal funding formula which is presently being used. However, by 1990–91 the reduction would climb to 3 per cent and all the contributions would be frozen again for two years. All cash payments to all provinces, even the poorest, and that includes Atlantic Canada, will end some time around the turn of the century. Payment to Quebec will end by the year 1995 and in Ontario in 1998.

So as we are saying, less and less federal money for medicare and colleges and universities will put more of a financial burden squarely on the shoulders of the provinces. As a result, the federal government's ability to influence national standards and guidelines will be, as I indicated earlier, diminished.

When a survey was done across the country, 85 per cent of Canadians believed that medicare is our best and most valuable service.

When we look at the question of education, nobody could have put it any better than Jane Arnold, who is the chairman of the Canadian Federation of Students, when she said that education is a right and not a privilege. Bill C–69 and Bill C–32 take away the right and make education a privilege. Truly, Mr. Speaker, it will make education a privilege because, according to some statistics which were published in 1986, the higher education our children and our youth receive, the better chances they will have in receiving an education. The lower

education our youth receive, the less chances they will have in receiving an education.

Mr. Speaker, at a time when we have to put our emphasis on investment in our children and our youth, it is somewhat disappointing that the federal government is moving toward cutting many of the social and education programs that in fact would help in getting the country out of the difficulties we are in. There is no better investment the government can make than investing in our youth. There is no better way in dealing with reducing the level of deficit in Canada than investing in our youth.

• (1340)

Bill C-69 and Bill C-32 will be causing a lot of damage to the way we provide and offer our social programs across the country. Unfortunately CAP was the only remaining open-ended program that was cost shared between the provinces and the federal government. There was no limit on how much a province could choose to spend on some of the social services they are offering. The only limit they had is the fifty-fifty sharing agreement.

Mr. Speaker, when you look at the fact that approximately 40 per cent of the people who get welfare payments are children, research shows that poor children tend to have more health problems, greater difficulties in school and more involvement in crime than other children, and the cap on CAP makes sure that Canada does even less than in the past to combat these problems.

According to Dr. Robin Walker, president of the Canadian Council on Children and Youth: "About 40 per cent of social assistance recipients are children. The recent cap on CAP means that there will be less money to meet the basic needs of these children, to help their parents escape the welfare roles or to combat the negative effects of child poverty". He is absolutely right.

In fact, the situation is even more difficult when we look at the approximately 60 per cent of Indians living off-reserve in Canada who receive social assistance. A disproportionately large number of native children living off-reserve are cared for within British Columbia's child welfare system. We can conclude that aboriginal people in Canada represent one of the largest groups affected by restrictions on the amount of CAP transfer payments to the provinces.

Christopher McCormick, national spokesman on native issues for the Native Council of Canada, indicated: "Cuts to the Canada Assistance Plan will be a national disaster for aboriginal people who already live in Third World conditions".

On this subject matter one could speak on and on forever. The bottom line is that it is really up to this government to decide what it really wants to do. Does it want to invest in the future of Canadians now, or does it want to shut down operations and go home?

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to make a comment on Bill C-32. First, I would like to congratulate my colleague, the member for Ottawa Centre, who has just put so well and so correctly all the damage this bill will cause.

I too of course am against this Bill C-32 because it will result in cuts to the provinces. We already know how badly the province of Ontario is mismanaged by the present New Democratic government that is there. Take that and add to it the cuts in transfer payments and we are in for some major difficulty. My fear is that these cuts to the provinces will result in our inability to train our population because a great Canadian once said the following about our ability to compete as a nation, Mr. Speaker, and I ask you to pay close attention to this. He said:

> First, we require co-operation to re-establish the concept of working together as Canadians first. The concept around which this nation was built.
>
> Second, we must make an effort to ensure that we have the capital required to finance national development in the 1980s, including a commitment from all sides to avoid the kind of vexatious and punitive policies that serve only to drive away Canadian foreign capital.
>
> Third, we need a major national program to train and retrain the richest resource of all, our people, so that all Canadians may share in our development by working and by paying our own way.

An hon. member: Who was that enlightened person?

Mr. Boudria: I am glad my colleagues just asked me who that great Canadian was, because I just quoted from the book *Where I Stand* written by one Brian Mulroney.

An hon. member: That must have been a long time ago.

Mr. Harb: Mr. Speaker, I would like to thank my colleague for his comments. I think the statement made in the book is a true statement. There is a lot of merit to it. I think the challenge of the government is in fact to do the delivery that would match what is in the statement.

I would like to state that it is really appalling when we look at the state of our educational system. It is appalling when we see that in Canada we have in excess of 38 per cent of our population who have difficulty reading or writing, who are considered to be functionally illiterate.

Just on this point, the question of literacy and illiteracy and the lack of investment on the part of the government in our human resources, I would like to say that a business task force that was set up some time in 1986 or 1987 stated that the cost of this to our economy was approximately $4 billion and about $10 billion to society as a whole.

If we look at the deficit of $30 billion annually and we look at the cost of illiteracy alone of $10 billion, it would not take a genius to conclude that investing in human resources is a key to addressing the question of shortages and the question of deficit.

In my view, what we should be focusing on is dealing with the question of education in a very aggressive and outward looking way through consultation with the provinces of course and through consultation with institutions such as universities, colleges and school boards. Unless we do that it does not matter. We could keep throwing money at the problems day and night. That will not solve it. Unless we start looking at the human resources and trying to help them out to move forward, there is no way we could deal with the question of deficit.

Let me assure you that we could, perhaps by the year 1995–96, have a balanced budget, but that will not stay for very long because another difficult year like the years we had in 1981–82 and everything will be out of whack. We will have the same cycle we have gone through in 1981–82, and we are just coming out of 1990–91, all over again by the year 1997–98.

The whole answer to this question is through investment in our human resources.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, I want to congratulate my colleague on his continued battle to try and bring the issue of illiteracy to this House of Commons and certainly trying to push the government on investing in human capital.

• (1350)

Mr. Speaker, through you to my colleague, I want to pursue a line of thinking. I have always contended that we are going to have to attract foreign capital to this country, which eventually will be one of the ways in which we create downward pressure on interest rates that ultimately will help our economy in every sector.

Foreign capital naturally looks at the levels of productivity. When we look at the levels of productivity in a company, or in a country, we do not only look at how hard people work. We look at how skilled the labour force is. One of the things that I hear over and over again from manufacturers, not only in my riding but other ridings across southern Ontario, is the difficulty they have in finding a skilled labour force. In order to have a skilled labour force we need a high level of literacy. We need people who understand the basics of reading and writing.

I would like to ask my colleague: Does he not think this investment in making sure that we become a more literate nation not only affects us in the short term in terms of our productivity, but ultimately will have an effect in terms of the whole economy and downward pressure on interest rates and the dollar?

Mr. Harb: Mr. Speaker, no one could have put it more nicely than my colleague from Broadview—Greenwood. I want to thank him very much because he too is pushing for the same cause. No wonder he is a Liberal.

There is no doubt in my mind that more emphasis has to be put on the question of productivity. The reason why I say this is because it is really amazing that Canada is one of the largest exporters of wood, for instance, but we still import saws from Italy, among other countries, to cut the wood.

We have a very strong mining industry and we ship raw materials to Japan, Hong Kong and elsewhere, but we still import the machinery to gather the raw materials.

I totally agree with my colleague that to become more competitive we must spend more money in the area of research and development and in the area of education. We must, there is no doubt in my mind, make manufacturing a priority. All of these wonderful raw resources and raw materials, all of the resources that we have in Canada right now, over the next 15, 20, 30 or perhaps 50

years will be depleted. The only thing we will be left with is our human resources.

In closing, I totally agree with my colleague, unless investment now starts shifting and focuses on our human resources, that we have quite a challenge.

The Acting Speaker (Mr. DeBlois): Before recognizing the next hon. member, I wish to inform the House that the five hours of consideration have now been completed and members will now speak for 10 minutes maximum, with no question and comment period.

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, this morning in the House of Commons we heard the Prime Minister putting forth the proposals of our cabinet in a document entitled *Shaping Canada's Future Together.* The thrust over the last couple of weeks that we have heard from the Prime Minister is a thrust toward co-operation of all parties and of all peoples within Canada, a thrust toward equality, a thrust toward giving people a voice in Canada.

I would like to quote from page 7 of the foreward of the document.

The document states as follows: "Canada must ensure that it is equipped to deal with the economic challenges of the next century. If we are to maintain our prosperity, ensure a high standard of living for our children and continue our effort to reduce the disparities that exist between the regions of Canada, one of the most important and enduring principles of Confederation, we must be prepared to work together more harmoniously and effectively. We must have an economic union that is both modern and truly functional".

Last year under Bill C-69 the government selected three provinces, British Columbia, Alberta, and Ontario, out of the 10 provinces and two territories and proceeded to treat them differently, to discriminate if you will against these three provinces because they are the larger provinces and are considered to be have provinces within Confederation.

Under Bill C-32 it is proposing to extend that same unfairness toward the provinces of British Columbia, Alberta, and Ontario by extending the cap at 5 per cent on the Canada Assistance Plan payments, the payments that approximately 25 years ago it had agreed would be funded on an equal basis with the provinces.

The argument might be that these are the have provinces and therefore they can afford to give up some of what they have, but reality finds its way into this argument and shows that the argument is not a valid one.

The reality is that provinces such as Alberta and British Columbia and Ontario, when times are tough, get people moving from other provinces into those areas looking for employment. These people are often the same people who are without unemployment insurance benefits and go with the idea that they will be able to find employment.

In my riding of Okanagan—Similkameen—Merritt we have a very high unemployment rate and we have a high rate of people on social assistance for that very reason. It is a wonderful climate and during the summer there are jobs available in the Okanagan region particularly and in the Similkameen Valley in the fruit picking industry.

What often happens is that people come from other provinces without money in their pockets and they must turn to social assistance until they get a job. Then it falls on the people of British Columbia to pick up the tab for those from other areas of the province. That shows part of the unfairness.

If we couple what this government is doing now under Bill C-32 with Bill C-21, the Unemployment Insurance Act, where it cut down the qualification time, you are again hurting the people in my area because often, with the seasonal nature of fruit picking, they do not get the required number of weeks in order to apply for unemployment insurance.

What do they do when they are without work? They turn to the social assistance area for that assistance.

That is the problem that we have with this bill. It is not reflected in the 5 per cent of growth. Well over that 5 per cent I think is reflected on a year-to-year basis because places like Alberta and British Columbia particularly are areas in which people enjoy coming to look for employment and perhaps to live, particularly if they are not employed, because it is a wonderful climate.

By attacking these areas I think we are effectively attacking what they have set out here, the harmony, increasing the standard of living for all of us, by saying we are not going to assist you, we are not going to keep up with our end of the deal, a fifty-fifty split on the Canada Assistance Plan. We are not going to fund it. We are going to leave it to the taxpayers of your province.

• (1400)

Certainly in the larger cities, what happens is that it is the taxpayers of the municipalities who must pick up the added rate for the added people who are on social assistance.

Unfortunately, I am not going to have time to go into some of the things that have bothered me about Bill C-32 because of Question Period rapidly approaching, but I just want to point out—I will go into it in my next few minutes—that it is the children who are being hurt by this. We know that they are the single largest group of people getting social assistance.

For a government that has committed itself to assisting child poverty and doing away with it by the year 2000, I think it puts a bad light on this government in looking at child poverty when it thumbs its nose at those in Alberta, those in British Columbia and those in Ontario which have 50 per cent of the population of children who are presently living in poverty.

Mr. Speaker: It being two o'clock p.m., the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S.O. 31

[*Translation*]

ARMENIA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, last Saturday, over 99 per cent of the voters in Armenia were in favour of independence, and there was a 95 per cent turnout. Yesterday, all the members of the Armenian Parliament sang their national anthem "Armenia free and independent". Mr. Speaker, today, all the members of this House must join me in congratulating the men and women of Armenia on their independence.

An historical agreement was reached yesterday, Mr. Speaker, when Armenian and Azerbaijani authorities agreed on an immediate cease-fire and the disarming of armed units in Nagorny Karabakh. So, Mr. Speaker, all the refugees can finally go back home. We would like to offer our congratulations to the presidents of Russia and Kazakhstan, Boris Yeltsin and Noursoultan Nazarbaïev. This is the dawn of a beautiful day in Armenia for the people of Nagorny Karabakh. Hurrah for independence, Mr. Speaker!

* * *

[*English*]

NOVA SCOTIA CLAM COMPANY

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, the people of my constituency, like other Canadians, want to participate in renewing the Constitution, but their immediate concern is economic, a secure job so they can feed their families.

Since May, 250 unemployed workers of the Nova Scotia Clam Company have been waiting for clear leadership from this government to enable them to go back to work. All summer long, despite rally after rally, they have been kept in the dark.

Before the last election, this government created special rules to encourage this company to establish in the Strait of Canso. Since then, as in so many other cases in Atlantic Canada, the federal government has acted to undermine this company and abandon its workers.

In August, the Minister of Fisheries and ACOA threatened the viability of Nova Scotia Clam by permitting the new competitor, National Sea, to enter its market for off-shore clams.

Now, the company's clam vessel *The Scotia Surf* is being sold. Will the Minister of Fisheries and ACOA, with nearly $1 million invested in this project, object to this sale? Will he act in the dying hours to save these jobs? I await his answer, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

Mrs. Louise Feltham (Wild Rose): Mr. Speaker, from the cradle to the grave is synonymous with a lifetime.

From the cradle to the grave is also synonymous with unemployment insurance for many.

For too many Canadians, unemployment insurance is an inheritance passed on from father to son.

In 1940, an act was passed to provide for a national unemployment service which would provide a means of temporary assistance to people who were put out of work so that they could find other employment, retrain or take further education.

No country can continue to prosper if a large segment of its working force is content to work for only a few months each and every year.

More must be done to ensure the original intent of the Unemployment Act is honoured. Retraining must be a must.

* * *

AGRICULTURE

Mr. Jim Fulton (Skeena): Mr. Speaker, the federal government has unleashed a monster on the Canadian people. At 17 secret sites across the country, Agriculture Canada is conducting biogenetic engineering experiments that have the potential to wipe out crops and endanger human health.

The federal government is keeping these experiments secret, putting the interests of big chemical companies ahead of the health and welfare of Canadians.

Canadians have the right to know this is going on. Communities near experimental sites have the right to know. Farmers who have fields nearby have the right to know.

The short-term effects on other plants from accidental cross-pollination is potentially disastrous. The long-term effects of eating genetically altered crops developed to work with only specific pesticides is still unknown.

These experiments should have undergone a full environmental assessment complete with public hearings. An independent review board should be set up to oversee all test applications from Agriculture Canada. In addition, the government should set up a royal commission to determine the long-term impacts and repercussions of genetic bio-engineering.

RAILWAY CROSSING SAFETY

Mr. Bill Casey (Cumberland—Colchester): Mr. Speaker, in July of this year, 12 year old Phillip French was tragically struck and killed by a train at the CN crossing at Stewiacke, Nova Scotia. This crossing has a long history of accidents resulting from a complex intersection of five roads with a rail line running right down through the middle.

For years the residents of Stewiacke have requested that barrier gates be installed. With this latest fatality, it is clear that these demands are justified and long past due.

The Minister of Transport and his officials have been very receptive to my presentations regarding this dangerous situation and have agreed to consider the information as quickly as possible and arrive at the appropriate decision.

I am now and will continue to urge the minister and his officials to move quickly and approve the request of Stewiacke for barrier gates before yet another tragedy occurs.

* * *

POTATO INDUSTRY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, Prince Edward Island potato farmers have been facing a difficult situation since Agriculture Canada informed the United States of the presence of PVY-N in some potato crops.

They are looking for some innovative and positive steps from this federal government to assist them in making the best of this dismal situation.

According to Agra Europe Potato Markets Supplement, this year Moscow will be facing a potato shortage of at least 20 per cent below its need.

I urge the federal government, in an effort to make up for their lack of efficiency in dealing with the PVY-N crisis, to examine the possibility of purchasing, at a competitive rate, the Prince Edward Island potato stock and including it as part of Canada's aid package to the Soviet Union.

This way, Island potato farmers will benefit, Canada's international reputation will be enhanced, and we will be assisting Soviet citizens in this very difficult time for the Soviet Union.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Harry Chadwick (Bramalea—Gore—Malton): Mr. Speaker if a new east-west runway is built at Pearson International Airport, the owners of the new Novatel Hotel might have a few things to say about it.

Four floors of their hotel will have to be removed to accommodate the flight path. There will be literally no room in the inn.

Is the airport encroaching on other land development? Are airport planners lacking in foresight or is Pearson International just running out of room?

My bet is that it is time officials started looking in the direction of Hamilton or Buttonville. It is high time airport officials paid heed to the wise words of their predecessors: "Build a second airport now".

* * *

AGRICULTURE

Mr. Lyle Vanclief (Prince Edward—Hastings): Mr. Speaker, I stand here today shocked at what I saw in this House last night at 6 p.m. when Conservative members of Parliament performed a complete flip-flop on assisting Canadian farmers.

Late last month at the House of Commons Standing Committee on Agriculture, all members of all parties present voted and passed a motion calling on the government to assist and consider a third line of defence for Canadian farmers for the 1990-91 crop year. Last night the same motion came before the House. Where were the Conservatives? All but one Tory member reversed themselves and voted against the motion.

I am afraid when Tory MPs are forced to face Canadian farmers, they say one thing. But when it comes time to providing action, the only thing farmers can count on from this government is hypocrisy.

ENVIRONMENTAL PARTNERS FUND

Mr. A. H. Harry Brightwell (Perth—Wellington—Waterloo): Mr. Speaker, September marks the end of the second year of operation for the Environmental Partners Fund program of Environment Canada. To date, over 480 environmental projects across the country have been approved. This represents a federal commitment of over $19.3 million to initiatives which are protecting, preserving and enhancing our environment. The program encourages small community groups, the private sector and other levels of government to form partnerships to help solve our environmental problems. Such groups have been able to raise an impressive $60.3 million. Last December, the green plan challenged all Canadians to participate in securing a healthy environment for our future.

• (1410)

In this regard, the Environmental Partners Fund was extended for a further two years and expanded to include community based awareness activities for products which encourage and lead people to further action.

I am proud of the response by responsible Canadians to help resolve our environmental problems.

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EXTERNAL AFFAIRS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, this government has recently named Toronto department store co-owner Frederick Eaton as High Commissioner to Britain. Of course, Mr. Eaton has been making the annual $1,000 contribution to the Conservative Party to qualify him as a member of the Club 500. His company contributed $81,463 in the 1988 election campaign. His company has also contributed $40,000 to the Conservative Party in the two subsequent years for which returns are public.

Obviously Mr. Eaton is far from being a career diplomat. Besides, if you are born in the right families, six figure jobs are available to you by birthright.

Mr. Eaton is being shuffled off to London. He is certainly more comfortable there than having Eaton's shuffled off to Buffalo to catch up with cross-border shopping.

It remains, however, to be seen if the owner of Harrods will be appointed the next High Commissioner of Britain to Canada.

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[*Translation*]

NATIONAL FAMILY WEEK

Mr. Guy Saint-Julien (Abitibi): Mr. Speaker, next week from October 7 to the 13, we will be celebrating National Family Week. Today's society is not without constraints for the Canadian family. There are economic problems, new values, a growing number of single parent families and more and more young parents ill equiped to succeed in their family life, to name a few.

When you think about it, our Canadian families are in dire need of protection and celebration. This year, the emphasis will be on family environment. This theme, first of a series of four, is designed to strengthen families and improve family life. Furthermore, 1994 has been designated as International Year of the Family, providing us an opportunity to reflect upon the problems and concerns experienced by some families.

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[*English*]

AGRICULTURE

Mr. Maurice Foster (Algoma): Mr. Speaker, Canadian grain and oilseed and horticulture producers are facing the worst financial crisis in a generation due to the lowest commodity prices in history. These low prices are caused by the international grain trade war between the European Community and the United States.

Although Canada is not responsible for this trade war, Canadian farmers are being destroyed by it. The Canadian government exacerbated the hardship placed on farmers by reducing its farm support programs by $1.3 billion last year. It has exacerbated this situation this year by not providing adequate transitional assistance to a new safety net system for the 1991-92 crop year.

The Standing Committee on Agriculture unanimously called on the government to provide this emergency transitional assistance in a resolution passed August 29, after hearing of the tremendous hardship farm producers have faced this year. The same resolution was voted down by the House of Commons last night because every Conservative MP, with the exception of the chairman of the agriculture committee, shamefully voted against this emergency help for Canadian farmers.

I call on this government to provide this emergency help now, before it is too late.

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CANADA-U.S. FREE TRADE AGREEMENT

Hon. Alan Redway (Don Valley East): Mr. Speaker, Quebec's separation would certainly necessitate a renegotiation of the Canada-U.S. Free Trade Agreement. Because Quebec did not sign the free trade agreement, it derives all of the advantages, but is not directly bound by it. A new free trade agreement would require the agreement of three parties: Quebec, the United States and the new Canada.

In return for signing a new trade agreement with Quebec, the United States would undoubtedly want the elimination of all of the restrictions on American ownership of Quebec businesses, the unlimited right for Americans to bid on Quebec government contracts and perhaps common environmental standards. In return for signing a trade agreement with Quebec, the new Canada would undoubtedly want the right to buy Quebec power at domestic Quebec prices and a say in Quebec's fiscal and monetary policies that impact on the repayment of the present Canada's national debt.

Would it not be ironic if in order to get a trade agreement, Quebec had to hand back more sovereignty than it had gained by separation?

* * *

HEALTH

Mr. Lawrence MacAulay (Cardigan): Mr. Speaker, the people of Prince Edward Island are very concerned about medicare in Canada. The Canada Health Act was put in place to ensure that Canadians across the land receive proper medical attention. In 1986, the government decided to change the funding for medicare in Canada. The National Council of Welfare indicates that by the year 2000, there will be close to $100 million cut

from the medicare and post-secondary education budget by this government.

The government has changed the path of medicare. I am afraid we are going to see hospital beds closing and doctors leaving for richer parts of the nation, leaving for better pay and where the bigger dollars are. This is supposed to be a country from sea to sea to sea. If we allow this to happen then there will only be proper medical care for the wealthy in the richer parts of the nation.

* * *

GREECE

Mr. Gus Mitges (Bruce—Grey): This year, Mr. Speaker, Greece will celebrate its 2500th anniversary of democracy, which had its origin in ancient Athens, with a three day celebration beginning tomorrow, September 25.

Announcing details of the celebration, the Speaker of the Greek Parliament, Mr. Athanassios Tsaldaris said: "Democracy is the only regime in European countries today which brought about peace and surpassed blocks and divided walls." He went on to say that "everyone is now turning to parliamentary democracy as the sole institution that ensures the freedom of the individual and enables him to cope better with his problems."

The highlight of the three day celebration will be a special ceremony on Pnyx Hill opposite the Acropolis in Athens where a replica of a marble stela inscribed with the ancient law for the protection of democracy will be installed.

As well, an international philosophy symposium will take place entitled "Greek Democracy and Its Message to Modern Societies".

I believe, Mr. Speaker, that I am speaking for all members of the House in offering our congratulations to the government and the people of Greece on this historic occasion and as well as my hope that this anniversary will act as a positive omen concerning the future of our country.

* * *

PROPERTY RIGHTS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, for centuries the right of a man or woman to own property has been at the very heart of democracy. This right protected people from being exploited and from having their wealth taken away without due process of law.

In 1982, Canadians lost the right to own their own homes and be protected against governments when they wanted to expropriate land. The old Canadian Bill of Rights had given us that protection, but the Charter of Rights, which replaced it, was silent on the issue. That was wrong.

For the last nine years, Canadians have been among the only people in the western world without property rights.

This morning it was fulfilling to hear the Prime Minister propose to restore property rights and enshrine them in our country's Charter of Rights.

My congratulations to the government for having the political courage to do what is right. Average, middle class homeowners have sustained a victory out of the new Canadian federation.

ORAL QUESTION PERIOD

[*English*]

THE CONSTITUTION

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister.

This morning we heard the Prime Minister say he wants Canada to be a real economic union, and we are happy with that, but he has not backed up these words with real power to make it happen. Either you have an economic union or you do not have one. As the fishermen of Beauséjour say: "Either fish or cut bait."

How can we have a real economic union when up to three provinces and up to half of the Canadian population can opt out of the economic union?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend seems to suggest that because there is a provision for provinces to opt out, that would destroy the concept of an economic union.

Well that, of course, would run counter to the argument that he has been making for 10 years where he provided for an override, the equivalent to opting out, of fundamental rights, where a province could opt out of

the fundamental rights without destroying the Constitution in consequence.

The argument that my hon. friend is making is extremely illogical, inconsistent with everything he said. In fact, the provisions clearly strengthen the economic union of Canada.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, the Prime Minister wants Canada to become an economic union, but when we look at the document he tabled today, the federal government will have less power than the European Community in Brussels. I want to ask the Prime Minister once again: How can he say we will have an economic union in this country when three provinces and a majority of Canadians can opt out of this union?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, I beg to differ with what the Leader of the Official Opposition said about Brussels. The two situations are not identical. We must compare them objectively, and we are prepared to do so before the parliamentary committee.

What the document tabled this morning proposes to do is to eliminate the barriers that exist across Canada and make this country an economic union to be reckoned with, by removing as much as possible any obstacles to domestic trade.

This is one of the proposals the Government of Canada will submit to the members of the committee. If this proposal is less than perfect and the hon. member has any suggestions on how it could be improved, he may wish to appear before the parliamentary committee. If his suggestions are an improvement, the members of the committee will consider them, and Canada will benefit.

[*English*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, I hope and pray that we can make amendments. I would like to go back to the Charter of Rights that the hon. Prime Minister referred to earlier.

He said in this House, and I heard it very clearly, that the Charter of Rights was not worth the paper it was written on because we had the notwithstanding clause. I am happy to note today that he is making the notwithstanding clause stronger than before because under the proposition you will need 60 per cent of the population. The requirement is stronger if you want to use it and it will be reduced to a period of three years. We are happy with that because it will make it more difficult to be used, but we would keep it while the Prime Minister said he wants to scrap it.

I want to ask the Prime Minister if in his own personal view it is the intention of this government to make sure that the existing rights under the charter will be the same with this constitutional proposition.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there will be no change in individual rights with regard to any matters raised by my friend as a result of these constitutional proposals.

Should my hon. friend find any in a real way, I am sure he would want to draw it to the attention of the commission and it will deal with it.

I never suggested this morning that the document we were tabling was perfect. It is certainly a perfectible document, but there are no circumstances under which we seek to diminish individual rights.

With regard to the notwithstanding clause, my hon. friend I think is in error. What we did this morning was suggest a means whereby the utilization of the notwithstanding clause is made more difficult. I repeat what I have said from the beginning, that I believe that if a constitution were designed to protect individual rights, then obviously any instrument given to a province to override those individual rights was inconsistent with the original objectives in the first place. That has always been my intention, my view of it.

An hon. member: Take it out.

Mr. Mulroney: My hon. friend says to take it out.

Mr. Chrétien: Over my dead body.

Mr. Mulroney: The Leader of the Opposition says over his dead body. I view this as an unacceptble clause, but we want to make it more difficult for people to use.

[*Translation*]

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, my question is also directed to the Prime Minister. The government has just tabled a new proposal for the recognition of Quebec's distinct character in the Constitution. This morning, speaking on behalf of our party, our leader made it clear he was in favour of enshrining Quebec's distinct character in the Constitution. However, we want this to be done in very clear terms so that everyone understands what is meant, both Quebecers and the rest of Canada.

My question to the Prime Minister is this: By doing this, by proposing to enshrine the distinct character in the Charter, does he intend to make the distinct society subject to the Charter or does he intend to give additional powers to Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is all in the text included in the document you received this morning.

In June 1990, all the legal experts concluded that enshrining a provision of this kind in the Canadian Constitution would not have the effect of granting additional powers to a province.

Perhaps I may point out to the hon. member that the distinct society will be mentioned twice in the Constitution: in the Canada clause and in the Charter. Its use will be compatible with the provisions of the Charter.

So, there it is. And I think this reflects the real situation, something my honourable friend has always wanted. It gives Quebec a normal instrument to promote this distinct identity.

Hon. André Ouellet (Papineau—Saint-Michel): Mr. Speaker, obviously, we will have to ask the minister for clarifications at the earliest opportunity in the parliamentary committee, because the Prime Minister's answer seems to cloud the issue more than explain it and seems to leave it up to the Supreme Court whether additional powers are involved or not.

I do not think that is the way to proceed. If we want to do something positive, let us do so directly, not give something today that could be taken away tomorrow by the Supreme Court, or if no additional power is involved, let us have the honesty to say so clearly. We will return to that tomorrow with the minister responsible.

But I would like to remind the Prime Minister that one of Quebec's most basic demands has been the veto right. Our party's nine proposals recognized the importance of giving Quebec a veto right and the way to do it was by giving a regional veto to all regions.

This morning, the Prime Minister said nothing about this. Did he forget about Quebec's veto?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me answer my hon. friend. I referred to a document released in June and I will read it, because it is an important question.

[*English*]

"In our opinion, the Canadian Charter of Rights and Freedoms will be interpreted in a manner consistent with the duality, the distinct society clause or the proposed constitutional amendment, but the rights and freedoms guaranteed thereunder are not infringed or denied by the application of the clause. They continue to be guaranteed subject only to the reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society."

It is signed by six of Canada's most outstanding constitutional lawyers and accepted last year by all parties.

[*Translation*]

Now I think that is quite a clear answer to my friend's first question.

As for the veto right, my friend spoke about Quebec's veto right—at least, I think so. Is that right?

Mr. Ouellet: That is what I am asking you!

Mr. Mulroney: I did not forget, but is my friend talking about a veto right for Quebec? Yes, all right. Because Quebec's veto right was lost by the Parti Québécois in 1982 when they gave up Quebec's traditional veto. It was recovered in the Meech Lake Accord under the amending formula.

If you look at the document tabled this morning, you will see that after the 7/50 provisions, the amending formula will apply. The reason the concept of a regional veto, which is a defensible proposal, was not accepted is that the Premier of Alberta, for example, said outright that his province would also demand a veto, not just Ontario.

[*English*]

But Alberta was entitled to have its own veto, not just a regional veto. If anyone was going to get a veto, Alberta was going to get a veto as were the other provinces. We agree with that because we agree with that concept of equality.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Prime Minister.

This morning in the constitutional document, the Prime Minister outlined clearly the Conservative Party's perspective of an economy for Canada, moving into the future.

The document talked about financial institutions and fiscal control. It talked about the rights of capital, but it was silent on the initiatives and a proactive approach on employment and on regional inequality. A nation is about more than just the economy, it is about facilitating Canadian families and their future.

• (1430)

The Prime Minister has articulated an economic agenda. Surely, it is equally important to articulate a people agenda.

Will the Prime Minister seriously consider a social charter which would give substance and form to the inherent rights of Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to a proactive approach. Indeed, she is quite right. In terms of the economy, as I indicated this morning, one cannot segregate developments in the economy from considerations in the Constitution.

That is why I know that she will be well pleased to learn that interest rates have dropped since the budget by almost two percentage points in March. Growth has accelerated to something in the neighbourhood of 5 per cent for the last quarter and inflation next year, if we keep on track, may be down to 3 per cent. That is extremely good news for the kinds of objectives being sought by my hon. friend, namely, job creation and social justice.

With regard to the concept of a social charter which was put forward by the premier of Ontario, I suppose this is something that the committee itself would want to examine to see if it might be advantageous to Canadians in the long term. I do not know. I have not examined his proposals in great detail, but I know that Premier Rae proposes to play a constructive and helpful role in our national debate, and I look forward to his participation and that of my hon. friend.

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, this round of constitutional discussion is about the economy, it is about the future of Canada's social programs. This party and myself would like to see us, as a nation, also say that we have a goal of full employment and that our institutions are going to be directed to that end, as well as the other important issues discussed in this proposal.

Among the proposals put forward today was that much of our economic decision-making could be turned over to a council of the federation. Obviously, it is an idea that has to be further explored, because, as is stated in the proposal, it could be taking fundamental economic decisions away from this House and institutionalizing them in an institutionalized back room if we are not careful.

Will the Prime Minister commit to an open process for any economic change that includes full participation of the provinces, the territories as voting members and the aboriginal people who are, of course, acknowledged in his proposals as having self-government in the future?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, the proposal with regard to a council of the federation would not have to do with an agency dealing with, as I think the Leader of the New Democratic Party said, most of our economic decisions. What it would focus upon, however, is that wide range of very important areas where there is either no agreement between federal and provincial governments, or where there have been agreements in principle that have not been brought into practice, as is the case with too much of what has happened with regard to the elimination of trade barriers and other things.

I think is a very interesting, important new proposal. I hope it will be looked at seriously by the committee. Certainly, we intend to make it as open as possible, because we think that one of the things we have to do here is open up the budget processes of federal and provincial governments. Open up the processes of federal-provincial consultation, involving both what we are doing and what the provinces are doing and try by the reforms we are proposing to this House and to the Senate, to make these institutions far more accessible to and far more representative of the people of Canada. That kind of openness is exactly what we are seeking.

[*Translation*]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, I have a supplementary for the Prime Minister. As I said earlier, our institutions must have a broad enough mandate. About the proposal concerning the mandate of the Bank of Canada, stated simply as to achieve and preserve price stability, it seems to me that it is to take a very narrow view, Mr. Speaker. The Bank's mandate should be much broader to curb these outrageously high unemployment rates in Montreal, Cap-Breton and elsewhere in Canada. It should also be designed to make sure that full employment is possible and that the needs of farmers and small businesses are met.

Is the government willing to broaden this mandate?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, we did propose major changes regarding the Bank. But if the leader of the New Democratic Party has proposals to make, she will have the opportunity of doing so before the Committee. I think it is very important to remind the specific purpose of a central bank in a system such as ours. There is a problem at present: it is not as open as it should be to the provinces and others groups involved who are affected by the decisions the Governor makes.

That is why we proposed some major changes. For the first time, the appointment of the Governor of the Bank of Canada will be subject to the ratification of an elected Senate. That will give great power to the regions. As far as other groups are concerned, there will also be changes which could require much more extensive consultations at the regional level regarding the Governor of the Bank's policies.

* * *

[*English*]

BANK OF CANADA

Hon. Herb Gray (Windsor West): Mr. Speaker, I too have a question for the Minister Responsible for Constitutional Affairs. In the document tabled today, the government says it intends to amend the existing law to limit the mandate of the Bank of Canada to enhancing and preserving price stability.

I ask the minister, why does the government want to change the existing law to remove the present requirement that the Bank of Canada concern itself with trade, production and employment and not just price stability and inflation? Why is the government saying to the people of Canada that its constitutional view of the impact of the Bank of Canada is that it just doesn't care when it comes to jobs?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, one of the reasons we want to take this matter to committee where things can be discussed in some detail is so that misunderstandings, I am sure innocent misunderstandings such as that expressed by my colleague, will not prevail.

We are making proposals with regard to the bank which have to do with making clear what its central purpose is, which have to do with ensuring a greater harmonization between fiscal and monetary policy. We are making other proposals that will try to create by consensus a situation in the country where the fiscal policy of provinces and the fiscal policy of the national government follow the same course.

If the hon. member has other improvements to suggest, we will welcome his participation in the committee.

Hon. Herb Gray (Windsor West): Mr. Speaker, I ask the minister to take a look at his own document. It says that the "Government of Canada proposes to amend the Bank of Canada Act to make it clear that the mandate of the bank is to achieve and preserve price stability".

Then, I ask him to look at the preamble of the Bank of Canada Act which says that the bank is supposed to concern itself with "the general level of production, trade, prices and employment".

The minister has failed to give any explanation as to why it wants to limit the mandate of the bank so that it will not be able to concern itself with jobs.

I ask the minister to give a clear answer. If he wants to take time to familiarize himself with his own document, we will be happy to let him do that.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Thanks, Herb. I appreciate these gentlemanly exchanges across the floor of the House, Mr. Speaker.

Let me be very clear. We are not seeking to limit the role of the bank. What we are trying to do is clarify that role. That will be made clearer when my colleague, the Minister of Finance, lays before a meeting of federal and provincial finance ministers a background document on the matter.

We are also trying to undertake other changes with respect to the functioning of the bank that will cause it to be more acceptable to and more reflective of concerns in the country. Those are changes that are long overdue. We hope that we will have the support of the hon. member and his party in achieving them, and if they have other suggestions for improvement, we will certainly welcome them.

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SKILLED LABOUR

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, one of the most important elements of global competitiveness is the availability of a skilled labour force. At a time when a company like Siemens Electric is questioning Canada's ability to supply skilled workers to meet its future labour demand of 9,000 new jobs, I would like to ask the Prime Minister what measures this government has taken to guarantee that Siemens Electric Limited will have the skilled labour it requires.

• (1440)

Hon. William C. Winegard (Minister for Science): Mr. Speaker, you can see the amount of skilled labour we have on this side of the House. We have any number of people prepared to answer that question.

One of the things we are doing, of course, in the whole competitiveness agenda is to look at ways in which the educational system might be more amenable to having the kind of programs that will provide the people needed for that company.

As well, in terms of some of the engineering groups and the science groups and the technician groups, we have already taken steps to benefit those groups. We have more on the board and we will take them.

Mr. Maurizio Bevilacqua (York North): A supplementary, Mr. Speaker.

Clearly, the minister does not understand the gravity of the issue. If this government's training strategy is so effective, I ask the minister why a company such as Siemens Electric, which is a world leader in the field of electronics, would express major concerns and doubts about Canada's ability to supply skilled workers.

Hon. William C. Winegard (Minister for Science): Mr. Speaker, that doubt is being expressed in every one of the industrialized nations because we all face the same problem. We do not have enough people going into the technical streams either in our technical colleges or in our universities. That is why many of the government programs are designed to encourage students to move into those sectors.

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MEME BREAST IMPLANTS

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, last night 200 angry women met in Montreal to share their experiences with breast implants. We heard new anecdotal evidence of the debilitating secondary effects many women face from implants.

Now that Surgitek, the manufacturer of the Meme implant has taken all of its breast products off the market, will the Minister of National Health and Welfare finally undertake a judicial inquiry into why his department has not even now put a stop to this medical experimentation on Canadian women?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I met this summer with the member for Mission–Coquitlam and other women and I think it was clear at that time, and is still clear that as far as the health of women is concerned, we have done what was possible to do in light of the information which was provided to the department and myself.

In terms of the regulation itself, she knows very well that I asked the department to report to me in terms of the way the Meme breast implant was grandfathered in 1982.

The situation now is that I am waiting for the report in terms of regulation, but it is very delicate, Mr. Speaker, to refer in terms of health if there is no more information than my colleague had this summer.

I repeat, if there is any information that we do not have in the department which we can consider for review at another time, we will do that, but in light of the information we have, I repeat what I said: everything is

being dealt with in the way it should be by the department, Mr. Speaker.

Mr. Phillip Edmonston (Chambly): Mr. Speaker, I have a supplementary question for the same minister. These women cannot afford to wait. This is a serious problem. The minister's response is contrary to past precedents of this government. It is contrary to logic and it is cruel.

The question which I wish to pose to this minister is the following. How can he reconcile his response that we have just heard, knowing full well that this government spent millions of dollars to help thousands of homeowners take urea formaldehyde out of their homes, but will not spend one red cent to have women take these implants out of their bodies? How does he reconcile that?

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, the member for Chambly knows very well that if there is anything against the company and if there is any fault at the moment where there was a breast implant and the product was not what it should be—it has been done by a woman from Vancouver. She went to court and asked for a decision.

The member asks me why we do not put up the money. We are talking about the health of women with breast implants. The information we have so far is that the health question has been considered by the department in buying, and withdrawing the product from the market. It has been done in the way that it should be.

If those two members have any information in terms of health, they can provide it to the department or any scientist,, which could change the decision already made, then for God's sake they should give the information to the department.

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[*Translation*]

AGRICULTURE

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, my question is for the Minister of Agriculture, but in his absence, perhaps his Minister of State or the Prime Minister himself can answer.

Given that the survival of agriculture, especially for joint plans in Quebec such as the one for the dairy industry, is based on the principle that production costs will be taken into account and farmers will have a reasonable income, can the Minister or the Prime Minister assure farmers that this essential criterion will always be maintained for our farmers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend wants to know whether there is anything in the proposals tabled this morning to—If the question is whether we will maintain our previous programs in spite of the document tabled this morning, the answer is yes.

My hon. friend from Papineau, who is also an expert on agriculture, tells me that this issue is mainly up to GATT. That being so, I would be pleased to answer a supplementary.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, the Quebec farmers' union, the UPA, is very concerned about their future because the Minister of Agriculture is always talking about productivity without considering production costs. That concerns them and they would like to have an answer about it.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, productivity applies to everyone.

But mentioning productivity in no way undermines the ability of the UPA or its members to meet the competition that they face now. Nothing was said or done to keep farmers in Quebec or elsewhere from maintaining their production. The Canadian government will try to find new markets for them.

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[*English*]

FISHERIES

Hon. William Rompkey (Labrador): Mr. Speaker, my question is for the Minister of Employment and Immigration. The worst ice conditions in history have completely wiped out the fishery in Labrador.

The minister's own industrial adjustment committee, which wrote the minister this month says two things: first of all, that Labrador has been worse hit than any other area; second, that there is a very small window of opportunity to help those people as they never needed help before.

Will the minister agree to the recommendation of his industrial adjustment committee and set up an aid program so that work programs can begin by October 1? Will he give that undertaking today?

[*Translation*]

• (1450)

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): Mr. Speaker, the situation and the question describing it today are not new, because year after year, some coasts remain icebound a little longer than would be desirable.

Several programs and million of dollars have been made available to fishermen to deal with these situations.

Last year we announced special funding. Through a partnership established with the provinces and the private sector, we intend to set up a strategy to help fishermen who need assistance. In any case, the department's own programs are available to fishermen, and that is what we are working on.

[*English*]

Hon. William Rompkey (Labrador): Mr. Speaker, let me make it clear to the government that this is not an ordinary year.

These are the worst ice conditions in living memory. This is not an ordinary year. Is the government going to help those people or not? Aid delayed is aid denied. If it is not done this week, do not bother because we cannot take the aid after this. Do it this week.

[*Translation*]

Hon. Monique Vézina (Minister of State (Employment and Immigration) and Minister of State (Seniors)): I can only repeat to the hon. member that every attempt is being made in co-operation with the provinces and the various parties concerned so as to provide an appropriate response as quickly as possible, and we are working on a number of permanent solutions.

* * *

[*English*]

PORCUPINE CARIBOU

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Secretary of State for External Affairs.

I am sure that the minister is aware that the 180,000 caribou in the Porcupine herd migrate across the Northwest Territories and Yukon to calve on the Alaskan coastal plain known as the 1002 lands.

Since the survival of this herd will be severely compromised by the proposed development of gas and oil in this unique and irreplaceable caribou maternity zone, will the minister tell us what steps she has taken to encourage the Prime Minister to raise the urgency of protecting this area from industrial development with President Bush, since it is at that level that this proposal will have to be stopped?

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we do have concerns about the matter that the hon. member raised.

They have been raised with the United States. My colleague, the Minister of Energy, and I have had discussions about this and the implications for Canada and the U.S., as well as with the Minister of the Environment.

We have raised this with the United States, and we will continue to do so.

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary is to the Prime Minister.

Since President Bush has included the development of the 1002 lands in his energy proposal for the United States, will the Prime Minister today publicly call upon President Bush not to proceed with developments of gas and oil on the 1002 lands, because it would contravene both the spirit and the letter of the 1987 agreement signed between the Prime Minister and his good friend in the White House.

Hon. Barbara McDougall (Secretary of State for External Affairs): Mr. Speaker, we have called on the United States to designate the coastal plain as a wilderness area.

We are concerned about protecting the sensitive habitat of wildlife there, and we are also concerned about the economic livelihood and the traditional culture of people who live in the region.

I do not know just when the oil leasing and the refuge will reach the floor of either the House or the Senate, but our embassy is following developments very closely. We are in touch with them and we are making strong representations.

CANADIAN FLAG

Mrs. Barbara Sparrow (Calgary Southwest): Mr. Speaker, my question is for the Secretary of State regarding the use of our flag, our national symbol, to promote our country.

Thousands of Canadians and businesses use the maple leaf to foster tourism, trade, identity and unity—yes, unity—but guess what. There is an official in the protocol directorate of the secretary's department that appears to be harassing and indeed sometimes threatening legal action against companies which use their flag.

It is ridiculous. It is unbelievable.

Mr. Speaker, through you to the minister: What is wrong? Why is it illegal for Canadian business to use the Canadian flag to urge Canadians to shop in Canada, to support the Canadian economy and to promote the tourism industry in Canada?

Hon. Robert de Cotret (Secretary of State of Canada): Mr. Speaker, first I would like to state that we administer section 9 of the Trade Marks Act.

The purpose of that section in the Trade Marks Act is to prevent people from misrepresentation or misleading advertising, using the symbols of Canada.

After these particular cases that my colleague has raised were brought to my attention, I asked officials to review all outstanding cases and in the two cases that were mentioned in the media recently, that of Banff Lifts Limited and Superstore, I had my office personally contact the companies to say that it was totally proper for them to use the flag, encouraged them to do so, and assured them they would have a letter signed by myself before the end of the week.

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NATIONAL DEFENCE

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my question is for the Minister of National Defence. With the announcement last week by the Minister of National Defence concerning the need to cut out excess infrastructure within the Canadian Armed Forces, does this mean that the $36 million naval reserve facility announced in July will now not be built?

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, the task force that is to develop criteria for restructuring the Canadian forces will not extend its activities to existing programs.

[*English*]

Mrs. Coline Campbell (South West Nova): Mr. Speaker, my supplementary is for the same minister.

Does this mean the minister will put the new naval reserve facility on hold until his committee has reviewed all the excess infrastructure to see if there is not some place like CFB Cornwallis for this?

[*Translation*]

Hon. Marcel Masse (Minister of National Defence): Mr. Speaker, I may refer the hon. member to my previous answer.

* * *

[*English*]

ILLICIT DRUGS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Solicitor General.

In metro Toronto illicit drugs are of great concern to parents. Today there are reports of the takeover by drug dealers of yet another neighbourhood near Bloor and Lansdowne. Repeatedly the federal government has been asked by Toronto metro council and metro police to return a share of funds seized by the RCMP in drug arrests. This money could be returned to metro authorities for education, crime prevention, rehabilitation programs, and anti-drug enforcement activities.

I ask the Solicitor General whether he will act on such proposals in support of the fight against illicit drugs on the streets and in the schools in urban Canada.

Hon. Doug Lewis (Solicitor General of Canada): I welcome the interest of my hon. friend in this issue. I think every member of the House is interested in the issue.

This morning I met with Governor Martinez of the United States, the drug enforcement officer there, and we discussed several issues. My friend makes a valid point. In fact, we are trying to improve our efforts on seizure of assets and the transfer from seizure to forfeiture. The point has been made by various police

officials and mayors around the country that they would like to have some of the funds returned for expenses. I think that is a valid point, and I intend to look into it.

As to whether or not we would go so far as to look into drug programs, I am not sure we are at that point, but we are looking at the possibility of returning funds spent on investigations to the various jurisdictions.

Hon. Chas. L. Caccia (Davenport): I would like to thank the Solicitor General for his reply and ask him what additional measures he envisages in the fight against illicit drugs so as to bring to an end this very disturbing and growing pattern across the nation.

Hon. Doug Lewis (Solicitor General of Canada): Mr. Speaker, as my hon. friend knows, the Prime Minister has been taking a lead on this issue.

Yesterday in Montreal he made reference to the improved co-operation among the various authorities we have, the RCMP, National Defence, the Coast Guard, and customs, in the effort to crack down on this very serious problem. I would also point out to my friend that the national drug strategy which the Prime Minister initiated is a five-year preoccupation. It expires in 1992 and is currently being reviewed to see what improvements we can make to it.

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PROPERTY RIGHTS

Mr. Garth Turner (Halton—Peel): Mr. Speaker, part of the proposed constitutional changes tabled this morning by our Prime Minister dealt with restoring Canadians' right to own private property.

My question is for the Minister responsible for Constitutional Affairs. If enshrined in the Constitution, exactly what impact would this right have on the lives of individual Canadians on main street in my riding?

• (1500)

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, it is early to answer that question. The matter will have to be looked at in the committee. There will be legal drafts brought forward at the committee stage. I think that various implications, including for some provinces and including for women who have concerns about the property right and other matters, would have to be taken into account.

We in proposing this are confident that we can find legal language which will take account of those concerns and allow us to place in the charter the right to property in a way that will be effective on main street.

* * *

THE CONSTITUTION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question for the Minister responsible for Constitutional Affairs is about the social charter idea.

In the proposal tabled in the House this morning there is nothing on a social charter. I wonder if the minister can explain to the House precisely why he failed to propose in the paper this morning the willingness to put in the Constitution of Canada a guarantee for medical care, education, clean environment, housing and a job for ordinary Canadians when these have become in a modern society pretty fundamental rights of citizenship.

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, the hon. member would want to look at the specific references in the Canada clause. He would also want to consult members of his own party, the party leader in British Columbia Mr. Harcourt, being one of them who has expressed concerns about handing over to the courts the very substantial power that would be involved in a social charter.

I have no doubt that that matter, as others that are divisive in various parties, will be discussed within the NDP and that when the hon. member takes his usual active and constructive role in the committee he will have some proposals to put forward.

If we think something workable is put forward, we are certainly prepared to look at it, although I would not want that answer to be interpreted as suggesting that we are looking to the inclusion of a charter of the kind that was proposed by the premier of Ontario. If there is something in that line that can be made acceptable, I am sure the committee will be prepared to consider it.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I am sure that the minister did not deliberately mislead the House. The premier of Ontario was not suggesting a social charter where the Supreme Court was the final arbitrator. There are other mechanisms to enforce the social charter.

I have a supplementary question for the minister. In light of the fact that we have had some cutbacks recently in federal government funding—and I am talking about the rate of increase in funding for post-secondary education, medical care, welfare, and indeed some cutbacks at the provincial level in some provinces during a recession when people need it most—I would like to ask the minister: without a social charter in the Constitution, what guarantees will the people of this country have that these important social programs will remain universal, affordable and accessible to all Canadians regardless of where we may live?

Right Hon. Joe Clark (President of the Privy Council and Minister responsible for Constitutional Affairs): Mr. Speaker, one of the most effective guarantees, probably the most effective guarantee in the real world, is to have a growing Canadian economy able to compete in the world. That is one of the reasons we have proposed an economic union proposal in our document.

I was rather surprised this morning to hear his leader raise some questions about the idea of the economic union, because I do not think one can be taken seriously about social issues unless one is prepared to take the economic decisions and put in place the economic mechanisms which let us have the wealth that fund the social programs this country has been so proud of.

* * *

[*Translation*]

PRESENCE IN THE GALLERY

Mr. Speaker: I would like to draw the attention of the House to the presence in our gallery of a parliamentary delegation from Burkina-Faso, in Canada to study the electoral process and the workings of a pluralistic democracy.

[*English*]

I also wish to draw to the attention of members the presence in the gallery of Dr. Zdenek Kessler, member of the Presidium of the Czech and Slovak Parliament and Chairman of Constitutional and Legislative Committee.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

CANADA ASSISTANCE PLAN

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-32, an act to amend the Canada Assistance Plan, be read the second time and referred to Legislative Committee F; and the amendment of Mr. Vincent (p. 2536).

The Acting Speaker (Mr. DeBlois): The hon. member for Okanagan—Similkameen—Merritt has two minutes left. I ask for the collaboration of all hon. members—

[*Translation*]

— so that we can hear the end of the hon. member's speech.

[*English*]

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt): Mr. Speaker, when my speech was interrupted prior to Question Period, I was just talking about the difficulty that the CAP under Bill C-32 was going to cause for children.

I point out once again that while Canada is one of the wealthiest nations in the world there are close to one million children living in poverty. We are second only to the United States in the level of child poverty in the industrialized world. It appears that these children are being asked to pay for the loopholes that are offered big corporations.

I say that because it appears that over the last few years profitable corporations in Canada have increasingly being paying less and less of their share, and yet this government would have us believe that in fact it is our social programs that are causing us to have this massive deficit and debt that we have.

I point out that the Statistics Canada figures in April show that taxes had increased the most from 1988 to 1989 for those on the second lowest rung of the income ladder, an increase of 1.1 per cent, while at the same

time those in the highest income quintile saw taxes rise only .9 per cent and those in the second highest quintile, .3 per cent.

I do not know whether that is what the government speaks of when it says in the document *Shaping Canada's Future Together* that I referred to earlier, in the Canada clause, that it will make a commitment to the well-being of all Canadians. It seems to me that the commitment that this government has made over the last seven years has been a commitment to fill the pockets of those who are most able to afford to pay their share and take from the pockets of those who are unable to speak for themselves.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, it gives me pleasure to enter the debate on Bill C-32, an act to amend the Canada Assistance Plan.

This act proposes to extend the 5 per cent ceiling on the rate of growth in transfers to the Canada Assistance Plan from two years to five years. This cap is a cap on a cap considering the fact that not too long ago, in the earlier nineties, Bill C-69 was presented to the House on June 12, 1990. It was the first cap on the Canada Assistance Plan, and we are now looking at a bill, Bill C-32, which is a further cap on this cap.

The cap applies only to the provinces which do not receive the equalization payments. At present these provinces are British Columbia, Alberta and Ontario. As a member from Ontario and specifically northern Ontario, a region that has high unemployment, a region that has a cycle and troughs of high unemployment, low unemployment, economic boom and bust, this particular piece of legislation will be very detrimental to the well-being of the citizens of Kenora—Rainy River.

• (1510)

I think it is important to take a look at this in its proper context. The government wishes in its propaganda and information put out to the public to suggest that what it is doing is perfectly civilized because in essence the three provinces that it is dealing with are the three richest provinces.

Let us take a look at it a lot closer and look at the amount of dollars that the government is funnelling from the provinces of British Columbia, Alberta and Ontario. That amount is $2.135 billion of federal transfers over the five-year period. That amount as far as Ontarians are concerned is a very conservative estimate.

The present Government of Ontario has suggested that this year alone it suspects that it will cost it about $1 billion to replace the dollars that have been held back by the federal government because of this cap under Bill C-69 and now the cap on the cap under Bill C-32. I am sure it will be passed because of what the government is proposing to do with the usual boot. It will stop debate, force us to go as quickly as we can and allow this bill to be passed by the House of Commons and the Senate in a very short period.

What is most interesting about this whole debate is that 54 per cent of the poorest Canadians are the ones who live below the poverty line, who are on welfare already and who are unemployed. There are those who cannot seem to help themselves because they are disabled or are seniors who through no fault of their own are not able to work and are relying on the governments to look after them as we have done in the past. It think it is important to remember that 54 per cent of all Canadians in those categories are affected by this piece of legislation.

I think it is important for our constituents to know exactly what does the Canadian Assistance Plan do and what does it provide for our poorest Canadians. It provides, very succinctly, basic necessities such as food, shelter, clothing, utilities and household supplies. That part of the Canadian Assistance Plan is better known as the welfare side of it.

It also supplies to those Canadians who may not fall within the welfare roles but are in such a situation where they may not be able to provide dental care, and this social assistance will do that. It will provide essential living services for disabled persons, foster homes for abused children, safe housing for abused women, and subsidized child care for low income families.

As we can see, this particular piece of legislation, Bill C-32, will have a tremendous impact on the abilities of our poorest people in Ontario, our poorest people in Alberta and our poorest people in British Columbia to be able to help themselves with the very basic necessities, to pick themselves up by the bootstraps and try to get out of that continual cycle of poverty which we as a caring and loving society are trying to help them with.

There is also another strong implication of this particular legislation. As was mentioned by myself and others in this House when we debated Bill C-69, we believe very strongly—and I know most Canadians involved in the social assistance areas believe it—that this is a threat to the universality programs which previous governments in previous years have tried to put in place, that social safety net that we believe so strongly is necessary in order for Canadians to feel that the particular society we live in has not given up on them, is not that mean and cruel society of other countries in the world, but in essence is a society prepared to look after its own and is prepared to pay for it out of its taxes and out of its own pockets.

I want to put in context where this particular program came from. There is a particular belief by a lot of people in this country that the New Democratic Party is the only party that believes in social programs, the only party that is quite prepared to stand up for the little guy when he has difficulty in looking after himself. I want to speak to that for a moment and put to rest the myth that it is the party that has done what is necessary for the poor of this country.

I want to talk specifically about the war on poverty which began in earnest in the mid-1960s. Under the then Prime Minister, Lester B. Pearson, the government passed a few major pieces of legislation. That particular government, as we all know, was a Liberal government. That government was the government that put in place the medical care insurance plan, the Canada Pension Plan that we as Canadians are all so proud of, a guaranteed income supplement for pensioners who were having difficulty making ends meet on the meagre Canada Pension Plan, and the Canada Assistance Plan.

Those four initiatives in the mid-1960s were part of a process that the then Liberal government went into to try and put in the social contract that we hear so much about. That social contract was put in place to allow Canadians to feel comfortable, that if times get difficult, like the world recession we went through in the early 1980s in which there was massive unemployment, there would be a tremendous rise in the social assistance program.

The Canada Assistance Plan rose by almost 12 per cent in those years of high unemployment and massive world recession. Did the government of the day say it had to cut this particular program down because of the people who are using it, that it simply could not allow that to go past a certain percentage point? This government across the way seems to believe that anything over 5 per cent is not acceptable.

No, we did not do that. We worked as hard as we could to try and help those Canadians to help themselves. We got through that particular recession because of that. We have now broken the contract. It has been 25 years since the enactment of this Canada Pension Plan, the Canada Assistance Plan, which was heralded as a model of federal—provincial co-operation.

I want to emphasize to members across the way that in order for this federation of ours to work, co-operation must be a two-way street. The provinces will co-operate with the federal government if it does not do things by decree arbitrarily. I hope it will understand that this particular move has done nothing to help all of us, as Canadians, to co-operate to make this country of ours work more effectively. All the constitutional changes in the world will not work unless we have that co-operation that is necessary. A measure like Bill C-32 is not going to help that whole process one little bit.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I too am pleased to stand here in this House today to speak on the bill before us, Bill C-32, an act to amend the Canada Assistance Plan.

When I say I am pleased to stand here, I am displeased at the same time because such a regressive bill is something this country does not need, particularly the three provinces that are going to be most seriously affected.

Through this legislation the government will cap the Canada Assistance Plan transfers to three provinces: Alberta, British Columbia and Ontario. According to the government's own estimates, the three affected provinces will lose $2.135 billion in federal transfers over the five-year period through 1995 to 1996.

The affected provinces estimate the loss to be much higher. Ontario, for example, believes that the legislation will cost it $1 billion alone in this 1991 year.

As we know, the Canada Assistance Plan was enacted in 1966 to assist and encourage the development and expansion of social assistance and welfare services throughout Canada.

• (1520)

Under the plan the federal government agreed to share fifty-fifty the costs incurred by provinces and municipalities in providing social assistance and welfare services to needy Canadians.

This is a mandatory program. It is the responsibility of the federal government. It is the responsibility of the provinces and the municipalities to see that everyone in this country has a roof over their head, food on their table and is able to participate as a normal citizen.

Unlike other income maintenance programs, which establish conditions for eligibility, social assistance is the program of last resort. Once eligibility and entitlement have been determined, according to provincial legislation, the provincial or municipal agency delivering this program cannot refuse. It cannot refuse to provide that assistance and this government is cutting back on that money.

In other words, the government is refusing to provide the adequate basic services to people in this country who are in dire need. The primary objective of the plan is twofold: to support the provinces in the extension of adequate assistance for persons in need—and this is what the government is pulling back on—and to support the provinces in the delivery of welfare services fashioned to lessen or eradicate the effects of such social afflictions as poverty, child neglect or dependence on social assistance.

CAP has in essence created the foundation upon which Canada's social security system has been built, a system that has contributed to the unity of this country by fostering equality of regions and equality of people.

Recipients included under the Canada Assistance Plan are people in homes for special care, homes for the aged, nursing homes, hostels for transients, child care institutions, homes for unmarried mothers and many others. In areas of health care, in areas of child welfare, in areas of welfare service, it is a known fact, not only in this country but in all countries around the world, that children from homes who are provided welfare have a much higher rate of not going to university, not carrying on their education, of health care problems and many other problems.

These are the people who are going to be suffering. These are the most vulnerable people of our society. The assistance they receive comes in the form of dental care, essential living services for disabled persons, foster homes for abused children, safe housing for abused women, social assistance when they are unable to find a job.

The provinces affected by this legislation, which are Ontario, British Columbia and Alberta, are the only provinces that today do not receive federal equalization payments from the Government of Canada. In other words, the Government of Canada calls these three provinces the have provinces.

As of March 1990 half of the poor families of Canada, 54 per cent of all welfare recipients under CAP, were living in Alberta, British Columbia and Ontario. When we should be looking for ways to get these people off of social assistance, we are having to stand here today and debate whether those who are in need will be able to get social assistance. I find it absolutely ludicrous.

The government again is failing to realize that at this time of recession people are already suffering. Interest rates remain high, the Canadian dollar remains high, unemployment remains unacceptably high with the end not in sight for some time. Unprecedented levels of bankruptcy, especially in this province of Ontario, exist in this country, and there have been permanent losses of thousands of jobs in the manufacturing sector in Ontario. All of the above crises are happening right here. They are right here at home.

The government says: "Don't worry about the CAP. It only affects the three richest or have provinces". This province, in which I live, could very well become one of the have not provinces.

I would like to know who is going to support it, and who is going to support 50 per cent of the welfare recipients in this province. When will this government wake up and realize that there are no more have provinces because of its own policies?

In the 1990 budget the government announced that growth in CAP transfers was to be limited to 5 per cent for Alberta, British Columbia and Ontario in the fiscal years of 1990–91 and 1991–92.

In the 1991 budget the government extended the ceiling on these three provinces. It capped transfers for three more years through the fiscal years of 1994 and 1995. After that, the government assumes that CAP

expenditures will grow roughly in line with increases in the Gross National Product.

The federal government is abrogating its moral responsibility to disadvantaged Canadians. The federal government says it will save $2.4 billion. It will save $2.4 billion on the backs of the needy. It is unconscionable. I do not understand it.

Will this money go to debt reduction? Why is debt reduction the responsibility of those people who are on low income, or those people who are not able to provide for themselves? I have to give the government, certainly, a failing grade on that point.

By its action the government is continuing its agenda of ftransferring the burden of the national debt and the federal deficit reduction on to the backs of the provinces and municipalities. This is abrogating the responsibility. It is a must; the provinces have to provide that. They cannot back out of it, and yet the federal government is certainly backing out of it.

We on this side of the House do not support this government's measures that transfer the burden of the national debt and the federal deficit reduction on to the backs of poor Canadians. We do not support it in that.

A Supreme Court judgment may have given the government the legal right to cut welfare transfers to the provinces, but it did not provide the government with the moral right to abandon its responsibility to poor and disadvantaged Canadians.

It also appears that the current amendment violates the spirit of federal–provincial co–operation which has marked the 24–year history of CAP. This is the first time in the history of CAP that the federal government has acted unilaterally to change its provisions.

In abrogating its commitment to contribute equally with the provinces to the alleviation and prevention of poverty, the federal government is throwing out that sacred trust of Canada's social programs.

CAP is the fundamental and minimum element of Canada's social safety net. Again, as I said, I am pleased to stand here. I am very displeased with this government. I would dearly hope that it could reconsider its actions and recognize the importance of maintaining that contribution, that payment to the provinces and to the municipalities.

It is the government's responsibility. It is my responsibility as a legislator, and it really grieves me that it has taken this action.

Mr. Mike Breaugh (Oshawa): Mr. Speaker, I want to take a few moments to participate in this debate because I think there is a need to put on the record some of the concerns many members would share with me that they picked up over the last few months working in their ridings.

Part of the problem is that government, in a real broad sense of the word, has changed. There may well have been a time when a government could express a political philosophy and kind of live its parliamentary life in splendid isolation. The people it governed did not really know what kind of a lifestyle the members would lead, what Parliament was up to and all the little things that governments do.

In a modern age, people see the day–by–day occurrences of life in Parliament, of life in government, of how governments spend their money. The newspapers are full of accounts of massive expenditures that do not work and of large amounts of money that have been spent on projects that never will function.

They see, for example, the way a cabinet minister carries out his or her duties. Someone stands in this Chamber and preaches restraint and then goes outside and gets into a limousine that has a driver, and the people of Canada see that. Perhaps they should not be making their judgments in this way, but they do. They do not have an understanding of what is meant inside the Chamber when someone preaches restraint but outside takes a limousine and a driver to the airport, and flies first class to some great meeting somewhere else in the world. They see that in a much different light than members of Parliament would and they see it in very hard and critical terms.

• (1530)

Perhaps they knew that governments across the board at all levels had frankly said: "We cannot afford to do things in the same way as we always have and so we will not have any more great conferences. We will not fly deputy ministers around the world to learn how to govern. We will not do a great many things that this government has, on the record, reportedly done."

Perhaps they did not know that the people who are governing this country are, by and large, people who represent the wealthier class. Perhaps they did not see on their income tax returns and then in talking to people in their own community that most people who have an income now, and not necessarily an upper income but a substantial income, have options instead of paying their income tax and, of course, they exercise those options. They read about how to avoid paying taxes and they pay people to give them financial advice on how to defer their taxation.

It is clearly understood among people all across Canada now that one becomes rather stupid if one gets caught in the taxation net. So what you find out is that people who have a take home pay cheque with taxes deducted at source are people who are carrying the tax load in this country. They look around them in their own community and they have knowledge of those who pay no taxes. They understand that is unfair. So when this government brings forward this type of legislation, they question whether or not it is sincere in what it is doing. Of course, the test with any kind of legislation is not whether it fits into an ideology, whether it fits into a political philosophy, but whether or not it responds to the reality of the day.

I would put to you, Mr. Speaker, that in my own province of Ontario it does not, because Ontario is going through what some would call a recession, but I think is, in truth, a restructuring of its economic base. A recession, in my mind, would be a decline in buying power. People do not buy the cars people in Oshawa build, perhaps not as quickly or as often. But a restructuring means that some of the plants that used to supply parts for that auto plant in Oshawa do not exist any more. You cannot get recalled to a job that has been moved to Alabama. That factory is not there in Ashburn any more, it is gone.

There are a number of people all across Ontario who face the same thing. This is not just a downturn in our economy, it is a restructuring of the whole fibre of our industrial base in Ontario. Oddly enough, it will not be this government which feels the pinch as directly as municipal governments. Although it would be a theory, it is true that the Canada Assistance Plan, for example, serves several functions, but when you get down to the municipal level what you find out is that the funding may come down a tunnel and the program may be designed to fit specific needs, but in practice the money is necessary. What we are finding in Ontario politics now at the municipal level is that people at a council are saying: "We have had a 50 per cent or 60 per cent jump in the welfare case load in our community."

Now we have to find some money because there is a law on the books that says we must provide these kind of assistance programs. The money is not forthcoming from the federal government or the provincial government because those have been budgetary matters decided some time ago. It is now in the court of the municipality. What they are doing is making the hard choices they have to make. Although it is a theory, it has nothing to do with the Canada Assistance Plan, but their legal obligations must be carried out and so they must delay expenditures for other things like streets, roads, arenas, libraries, schools and all of those other expenditures to find their percentage of this funding program.

I think part of what is wrong with this bill and is reflected across Canada now is that people would understand if this government all of a sudden said: "Well, we really are under a restraint program and there will be no more use of consultants anywhere in the Government of Canada for a whole year." The people would then say: "Boy, it must be serious because consultants, by and large, turn out to be their friends and they turn out to get rather large and handsome contracts for doing work for the government. So it must be serious if they are turning down their friends.", or if the Government of Canada said: "Well, there will be no more big sponsored conferences by the federal government for a year and a half. You can have your conferences but somebody else has to sponsor them." Or, mercy me, they could stop their massive advertising campaigns and say, for example: "We would be happy to supply you. We have lots of print material that you can get in all the constituency offices of the members, but we are not going to do any television spots promoting this".

I am reminded that the advertising programs of the government are sometimes not quite as effective as it would like them to be.

A woman called me at home this summer and asked me: "What is this tax on student loans"? I asked: "What

tax?" I read the budget and it was not in there. I get all kinds of mail about new government programs, new taxes and all that kind of stuff. I have not seen any of that. I have called both offices and they have no information on that. I called our critic. No information there. We called the Library and there was no information there. Why did the Government of Canada see fit to put a tax on student loans and did not bother to tell anybody until it began to apply the tax? If the purpose of the exercise is to inform the public, this seems to be one example, at least, of where it chose not to inform the public.

What is wrong here is that the concept of what the government is trying to do does not fit into the reality of the day. There is nobody here who could not give you chapter and verse on government waste, I am sure. There is probably nobody left in the country who could not do that.

There is nobody in the country who is afraid of competition. The problem really is that competition and lectures on the values of competition usually come from those who no longer compete. When you are in the trenches, when you are struggling for a job and when you are trying to compete in the workplace, it is not exactly a pleasant experience. It only becomes one after you leave that particular venue and you occupy some higher place.

I do not think the people of Canada need lectures on restraint any more. I do not think they need this kind of simplistic legislation any more. What they need is a government that has some sense of what it is like to be employed anywhere in Canada in this day and age. What is necessary is a government to have some sensitivity that the province of Ontario is going through a massive restructuring of its economic base and that is hurting. That pain is beginning to be translated into municipal budgets. The provincial budget of last spring was certainly an expression of that.

Ontario is, perhaps, one good example of a province that is trying to be a little bit creative about social assistance programs, to provide a little more flexibility and to provide something a little more positive than a welfare cheque. But it is caught now because it is trying to put those changes into effect in the middle of a massive restructuring of its economy with a downturn to boot. It is caught in a very dangerous position.

I believe the Government of Canada ought to rethink this program. This program does not apply to this time and this place in this nation. It is quite wrong-headed.

The federal government cannot lecture the current government in Ontario for running up substantial debts when it has on the books the laws that make the government run up those debts. The government in Ontario is simply trying to buffer a little bit, as much as it can, those municipalities and those school boards and it is struggling to do that.

I would prefer to see this government drop this notion. This kind of a bill does not work. Look at the reality of the day and do what governments ought to do; respond to the real needs of the people they are supposed to represent.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity this afternoon to participate in this debate on Bill C-32.

You will recall that this morning that I read excerpts from that infamous book known as *Where I Stand* by a well-known Canadian author and not so good politician. That well-known Canadian author and not so good politician wrote this book a number of years ago, telling us abut the importance of contributing in the area of education and training in this country.

Education, of course, falls within the authority of the province. But the Government of Canada needs to contribute to it, in order to make sure that it happens so that we have a well trained and well equipped workforce in this country.

What is the government doing? It is cutting back on transfers to the provinces.

[*Translation*]

In the case of my own province, the province of Ontario, $1 billion will be cut this year from transfers to the provincial government, one billion!

• (1540)

I see the minister opposite, and I am sure he will realize that cuts totalling one billion and the fact that in Ontario we have a government that is not too good at government administration, that these two factors combined will have a disastrous impact on Ontario. So we have those budget cuts I just described and the people of Ontario are suffering.

Mr. Speaker, many people have criticized Bill C-32 and its predecessor, Bill C-69. I will read a few passages from what the experts had to say.

[*English*]

Lise Corbeil Vincent of the National Anti-Poverty Organization said, according to this article in *The Ottawa Citizen*, and I quote: "This is a disaster for people in Canada".

This program, the one about which we are talking that will be affected, is designed to help those 1.9 million Canadians who are on welfare, and those 1.9 million Canadians on welfare have very little defence. They have very few ways of getting their voices heard. Many times they are the same people who are regrettably functionally illiterate or do not avail themselves, or cannot avail themselves, of the tools to air their grievances.

I want to read a few more quotes. Here is another one: "The poor will become more and more defenceless than ever as the already meagre levels of government support are cut further". Again that was Lise Corbeil Vincent.

Finally Viola Robertson of the Native Council of Canada said: "Many native Canadians already living in Third World conditions will only suffer more as cost-cutting continues to be more important than human lives".

That is the sad reality.

In the riding I represent, Glengarry—Prescott—Russell, we have very high unemployment. Over the last years, as a result of the recession, caused largely by economic policies of this government, and as a result of some of the legislation that has been passed in the House before, namely the changes in the unemployment insurance provisions, the welfare rolls have increased substantially.

[*Translation*]

And while the unemployment rate is rising in my riding, Mr. Speaker, the federal government announces it will cut transfer payments to the provinces. The province will then cut or at least not increase, transfers to municipalities. Now the municipalities, which happen to be the level of government closest to the taxpayer have to pay the people on their welfare rolls but cannot get the money from the other levels of government.

That is what is happening in Glengarry—Prescott—Russell, Stormont—Dundas, and other rural ridings in Ontario.

[*English*]

There is a misconception out there that in Ontario, it being a wealthier province than others, everyone is well off. There are still some people I guess in other regions of the country who would probably define a poor Ontarian as someone who washes his own Cadillac, or something like that. Well, the reality of course is very different.

The area I represent, and I am thinking here of Prescott County particularly, has unemployment of about 15 per cent, very high welfare, and people who are living in conditions that are certainly not what we would wish for them.

[*Translation*]

Mr. Speaker, there is still time for the government to do something. I ask them to withdraw this bill, this budgetary measure that is so unfair to the neediest in this country. If they stopped to think, they would realize that these cuts which are now being imposed on the so-called wealthier provinces are not really affecting the provinces, the provincial governments or the ministers personally, but the people on welfare in these provinces.

Those are the people we are concerned about, Mr. Speaker. We as parliamentarians are here to defend those who are least able to defend themselves.

[*English*]

That is why I ask our colleagues across the way to think very seriously about this bill. They have had an opportunity to pause and reflect after the issue went to the Supreme Court of Canada on Bill C-69. The Supreme Court did indicate, at least to a degree, that the government had the legal authority to enact such legislation, and I say to a degree, because on one aspect the decision was not all that clear. But, needless to say, even if it has the legal right, it certainly does not have what I consider to be the moral right to cut back on benefits to the poorest of Canadians.

When we are talking about transfers to the provinces in the Canada Assistance Plan, that is exactly what we are referring to; we are talking about money for education and money for welfare. In the area of welfare I have explained the effects, and in the area of education it is the same, Mr. Speaker. Because if we do not invest to train our population, we will find more and more of them in poverty. The poor will get poorer and the rich will get richer, and that is not good for us as a society. It is bad

for those people in that position but it is bad for all of us collectively.

[*Translation*]

Mr. Speaker, when people live in poverty, the crime rate tends to go up. When people are in need, this often has undesirable effects, unfortunately.

In concluding, I would ask the government to withdraw this bill while there is still time, and to stop being partisan and consider for a minute the well-being of Canadians.

[*English*]

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I do not have to tell you that this is an historic day in our country. There began today a new round of constitutional negotiations and I think all of us in this House would agree and all of us would hope that this newest round of constitutional negotiations will end in a successful and equitable settlement, a settlement that all Canadians from sea to sea to sea can be comfortable and happy with so that we can move forward to greater and better days.

By any objective measurement, by any standard, by any measurement, Canada is a great country. I think one of the reasons why it is a great country is because we have a strong tradition of sharing. Just look at some of the things that we have done, say, since the Second World War, be it family allowances, unemployment insurance benefits, old age assistance, Canada Pension Plan, medicare; I could mention a number of programs. But they all speak to a fine quality in Canadians, a quality of sharing; sharing our resources, sharing our wealth. I think that is one of the main reasons why this country is so great. I think if we continue that tradition of caring and sharing, the future of this country will be guaranteed and it will remain one of the best countries in the world.

• (1550)

But I am worried, Mr. Speaker. I am worried because I see a Tory agenda, a Tory disease that I think is slowly but surely destroying that great tradition of sharing in this country. I think this particular bill, Bill C-32, which would place a 5 per cent cap on CAP or, to put it another way, a 5 per cent cap on social programs under the Canada Assistance Plan, is symptomatic of what I call the Tory disease, symptomatic of the Tory agenda.

Let there be absolutely no doubt about it, this government which, by the way, is probably the most right wing government this country has ever known, is following a very deliberate agenda. It is an agenda, if I can put it in a few words, to downsize government, to handcuff government, to get government away from some of the traditional responsibilities that government has had in this country and turn those responsibilities over to the private sector.

The government has done it in many ways. In some cases it has just taken its responsibilities and given them to the marketplace. One of the best examples of that, of course, is the free trade agreement, a bilateral agreement with the United States, an international treaty that really democratizes this country. It makes us unable to deal with some very very serious national economic issues because those responsibilities have been taken away from government, taken away from the people and turned over to the private sector, over to the marketplace. The marketplace, as you know well, Mr. Speaker, is really not that democratic and I do not even expect it to be that democratic. Certainly you do not have the kind of justice that most Canadians would want out of the marketplace. If you are looking for justice, you look to your democratic institutions.

The free trade agreement is just one example of that. We have seen this government slowly destroying our tradition of sharing in other ways. Look at what it is doing by way of reducing transfer payments to the provinces. Transfer payments are an example of sharing; the federal government, facing its responsibilities, taking on those responsibilities seriously, and providing assistance to all provinces, sharing the wealth, sharing our resources.

We have seen in the last few years that the government is cutting back on those transfers, cutting back on moneys to the provinces. You can be absolutely sure that many of the provinces, if not all of them, will not be able to afford some of those cutbacks. What the provinces will do in turn is pass on some of their responsibilities to the municipalities. The municipalities have no place to turn whatsoever and those very valuable services that are

provided as a result of the transfer of payments will come to an end.

Through that kind of process, you can see the unravelling of social programs, the unravelling of the country itself. When you have a reduction in transfer payments, you have a reduction of assistance to medicare. There is a reduction of assistance to secondary education. The provinces cannot bear those burdens alone. The resources of the provinces are limited. The federal government must take its responsibilities seriously. I do not think the government is doing that.

I understand why. I understand it is because of its ideology. This government really does not believe in government. If it does believe in government at all, it believes in weak, impotent government. It believes in weak, impotent, democratic institutions. Leave it to the marketplace, leave it to the private sector.

I am a champion of the private sector. The private sector does some of its jobs extremely well. When it comes to business, I say, leave business to business. It is up to us politicians to set the polices, to set the parameters, to make absolutely sure that in our daily activities, be those activities by individual Canadians, groups of Canadians or corporations, that we are always working for the common good, for the good of all of us, for the good of the country. I do not see that in the way the government is operating.

There is no great mystery about the Canada Assistance Plan. It is there to help the poorest of the poor. It is there to provide benefits to the poor and especially to children. I think it is a very sad commentary on the government, and in a way it is a sad commentary on our country, when we see the government putting a cap on this kind of assistance. It in effect says to the people of the world: "We are not going to share our resources any more. We are going to leave it to the provinces". Of course, then the provinces will turn around and say: "We'll leave it to the municipalities". That is a recipe for disaster. That is how services begin to unravel to a point where they will not exist any more.

In my closing moments, I would say to the government, look at this bill again. It is wrong in principle and it should be reconsidered, in fact, it should be just dropped completely.

Mr. Stan J. Hovdebo (Saskatoon—Humboldt): Mr. Speaker, Bill C–69 will cap the Canada Assistance Plan at 5 per cent until the year 1992. Bill C–32 extends that cap for another three years. This further capping is part of this government's agenda. The government says: "We must do something about the deficit", but then proceeds by making the people who can least afford to do something about the deficit contribute to the reduction of the deficit, forcing them to take a good portion of the burden.

The agenda of this government is an agenda which suggests a trickle down theory. If you feed the corporations enough, maybe they will pass some of it on to the workers. It does not work that way and it has never worked that way.

I understand the province of Ontario has added close to 300,000 people to its welfare rolls in the last year. That to a great extent has been caused by the policies which this government has put in place and the free trade deal that was passed by this government. How does it do it? It seems like a long and involved process because it happens at so many levels. A while ago it changed the UI for workers and with the free trade and other reasons, the high dollar, we have had the closing of many plants across the province. I speak of Ontario now because Ontario is one of the benefactors of this particular bill. However, the plants close so people are put out of work. The bill passed by this government has reduced the UI they will get, and it has also shortened the time that they will get it. It is harder to get UI and it runs out quicker than it did in the past. Also there are fewer jobs because there is a continuous closure of plants.

• (1600)

What does this worker do? He goes to the municipality for social assistance. So these people go on social assistance. This increases the cost of social assistance to the municipality. It increases the cost of social assistance to the province. In the past, a good many years ago, if you spent 50 cents on social assistance the federal government contributed 50 cents. However, the Liberal government in its wisdom changed that a few years ago and made it a block payment to provincial governments so that it no longer had to match the funds that the provincial government pays. Consequently it has got away with less.

But what the government is doing now in this particular bill is cutting the federal assistance which would help to pay the social assistance necessary for these people who have been put out of work by its policies. In other words, there has been a very deliberate and somewhat indirect but effective change in the quality of assistance or the amount of assistance that has been available to people who require welfare. This whole process is based on an agenda that makes it possible in this country for the rich and the corporate elite to become richer, to get more out of the system than they have had in the past. That whole process is part of this government's agenda.

The government will say that it has introduced these measures in the name of fiscal restraint and that only the rich provinces are being affected and they can afford the cap. As I pointed out before, the number of people who have been added to the welfare rolls in Ontario has increased faster than most of the other provinces. Consequently it has more need for this extra money to come in, in the future.

Even before that happened, 50 per cent of the poor in Canada lived in British Columbia, Alberta and Ontario. If you are poor, it does not matter which province you live in. You have the same needs and you have to go to the municipalities and the provinces to have those needs alleviated. If the federal government does not contribute to that alleviation then the province must do so, and that is going to add to the burden in the particular province.

Also, one has to recognize that Alberta for many years, British Columbia fairly continuously, and Ontario, when there is a recession in the rest of the country, are the provinces that are going to get the movement of unemployed people. I come from the province of Saskatchewan where we have had a Conservative government for the last eight years which will soon be over, thank goodness. But in those last eight years, in fact in this last year, 24,000 people left Saskatchewan. They went to Alberta. They went to Ontario. They went to British Columbia. As the recession hits those provinces many of those people are likely to be on welfare before very long, probably very quickly. They have not been able to work in those provinces long enough to build up UI benefits.

What this government has done by its policies in other areas has put more pressure on these so-called richer provinces and made it impossible for them to deal with the requirements of the Canada Assistance Plan structure. As I said before, many of these people are forced to go on UI. Since there has been a cutback in UI they are back on the welfare roles much more quickly than one would expect.

CAP provides for a fifty-fifty cost sharing between the feds and the provinces, but only up to a certain level. When that level is reached, then the province has to find the money or the municipality has to find the money. Talk to the mayor of Toronto right now. He will tell you a long story about how difficult it is to deal with the extra requirements put on the city because of the closing of plants, because of the needs of the people who have been taken off work as a result of closing of plants caused in many cases by the free trade agreement and the GST increasing the cost of operation in Ontario.

Bill C-32 is just another example of how the government has decided to place the burden of paying off the debt, paying off the deficit or the accumulated debt, on the shoulders of those who can least afford it. The government has not targeted the people who caused the debt or asked them to pay the debt because the corporate taxes have declined 20 per cent since 1986 and the profits for those same corporations have increased by 34 per cent.

We have a situation where this government is making a deliberate decision to reduce the amount of money that is going to be available to people who are forced to go on social assistance and not going to the source of the problem for funds to take care of that situation.

Mr. Stan Keyes (Hamilton West): Mr. Speaker, when the hon. member for Brampton moved that Bill C-32, an act to amend the Canada Assistance Plan, be read the second time and referred to committee, many of us were outraged.

I was particularly shocked by his closing statements in the remarks he made yesterday. I will quote them: "There are no quick, painless fixes to the deficit and debt problems we have inherited. I urge all members of the House to support this motion and to join us in accepting our fiscal responsibility to all Canadians".

We cannot fool the Canadians sitting at home in their living rooms at this moment or on the replay tonight. If the government was truly interested in fiscal responsibility, it would have begun years ago.

When we as the Liberal Party lost the election in 1984, there were 28 ministers in the government. Since 1984 that number has climbed to over 40. Of course, when you raise the number of ministers you raise all the expenses of government.

• (1610)

An hon. member: Like the limousines.

Mr. Keyes: Like the limousines.

An hon. member: Two ministers for every department.

Mr. Keyes: Yes, two ministers for every department.

We went through some healthy economic times in 1985, 1986 and 1987. When the times were good did this government take a second and say: "Well, listen, the times are good. Like many Canadians living at home, when times are good we had better sock away a little bit into an emergency fund, or maybe we should have another look at this national debt of $180 billion and better start paying it down, because it is only going to grow and especially if inflation gets away from us in the future we will be able to pay it down". But that did not happen.

Today Canada has inherited from this government that has been sitting on that side of the House since 1984 a debt that has gone from $180 billion to over $400 billion. "Interest rates," it cries, "interest rates".

The Conservatives set the economic agenda. They set the fiscal and economic policy for this country. They are the ones who created the problem and the financial mess we are in today.

The government has not eliminated the deficit as it said it would do but has instead doubled the national debt, as I have said, to $400 billion. Tory cabinet ministers maintain they are merely servicing the debt incurred by the former government, but is it not about time that they accepted responsibility for the fiscal mess which they have put this country in, the responsibilities and decisions they have made since 1984?

In this whole notion of capitalism as the way of the future—and it is such a smashing success—some like to point to the United States as the leader of that capitalistic order. I have to ask myself, and my constituents ask themselves at home: "Why are millions of Americans living in abject poverty, in ghettos teaming with people who have fallen through the cracks so fast?" It is because the safety net is so thin.

My colleague from the riding of Glengarry—Prescott—Russell likes to quote from a book. I have got one for him. In a new book entitled *The Quick and the Dead—Brian Mulroney, Big Business and the Seduction of Canada*, Linda McQuaig writes that top Tory officials privately admit that the Prime Minister and his government are intent on dismantling Canada's prized social safety net in favour of the open-ended, *laissez-faire*, rough and tumble, cutthroat world that we see just south of our border.

It has been mentioned in this House before, that the cornerstone of that plan was the free trade agreement between Canada and the U.S. What the Prime Minister and the Conservative government failed to realize was that such a free trade agreement would mean one of two things. First, Canada would immediately rush into the U.S. market and swallow up entire sections of businesses becoming global giants. Second, Canadian companies would drop like flies because labour costs and material costs and taxation were so low in the United States that they would either not be able to compete and would be forced out of business or else they would take it upon themselves to move to the U.S. where the cost of doing business is cheaper.

We are seeing that happening every day. Near our riding of Hamilton West Triton is gone. In a community where I used to work, Barrie, Ontario, General Tire, what did they spend? They spent $45 million upgrading that plant. They are going to make the tires at the parent company in the United States. After nearly 300,000 Canadians have lost their jobs since the free trade deal was struck, the Prime Minister has announced a new campaign for competitiveness.

The former Minister of Finance, let us call him the former minister of financial disaster, has been asked to take on this task. Work shops, position papers, programs, all will be created for us so that we may be competitive.

The result of this nearsightedness is that the statistical sheets are all covered in red ink. In the world-wide recession of 1982 there were 32,000 bankruptcies in Canada. In the latest made-in-Canada recession, a recession made by this government, there were 42,782 bankruptcies in Canada in 1990, a 50 per cent increase over 1989.

In Ontario 16,287 residents had to declare bankruptcy and another 2,907 businesses followed suit.

Here is another interesting statistic. Some more red ink. There are currently 1.5 million people unemployed in this country as the unemployment hovers over 10 per cent.

According to the Canadian Association of Food Banks, the number of people receiving emergency food aid each month in this country is 186,000, including the stark, tragic statistic of one in six children.

I have reams of numbers I can quote for the folks at home and here in the House. This bill would put a cap on the amount of money transferred from the federal government to the three provinces which do not receive equalization payments, but nonetheless rely on federal funding. The provinces are B.C., Alberta and this province of Ontario.

People are lined up at the food banks and this government proceeds with limitations on what it will give provinces like Ontario to provide social assistance programs.

In my riding of Hamilton West the unemployment rate has matched the rate of factory closures. Here are some statistics. In April the unemployment rate was 8.1 per cent; in May, 8.5 per cent; in June, 9.7 per cent; and in July, 10.8 per cent. Last month that rate climbed to 11.4 per cent; 38,000 people unemployed in Hamilton. Where are these and the 1.3 million other unemployed Canadians to turn if they cannot rely on their governments? If the economy does not pick up soon, the three provinces will bear the burden being imposed on them through this bill, by receiving $2.135 billion less.

What are the low income families with three children to do if their mother or father is laid off? Sometimes one parent works at night, others work shifts and others are trying to make ends meet.

In conclusion, these were all called the sacred trusts. They are sacred. They are sacred to the hundreds of thousands of Canadians who have lost their manufacturing jobs. They are sacred to the other millions of Canadians who desire a decent standard of living but are finding it increasingly difficult because of this government's fiscal mismanagement. I wish I could go on.

[*Translation*]

The Acting Speaker (Mr. DeBlois): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Mission—Coquitlam—PS 2000; the hon. member for Saint-Léonard—Montreal's economy; the hon. member for Edmonton East—Petro-Canada; the hon. member for Northumberland—External Affairs; the hon. member for Bonavista—Trinity—Conception—Fisheries.

The hon. member for Gatineau—La Lièvre.

Mr. Mark Assad (Gatineau—La Lièvre): Mr. Speaker, if you are agreeable, I would like to provide some brief background information on the bill before the House today. The purpose of the Canada Assistance Plan, which goes back a number of years, to 1966, to be exact, was to help the neediest in our society. This was part and parcel of a tradition we have always had here in Canada which is to look after our neighbours, to be our brother's keeper. The attitude has always been that special measures are needed to help those in greatest need.

• (1620)

Mr. Speaker, when we look at the way the Canada Assistance Plan works, for many years it has helped to redistribute wealth in this great country of ours. Unlike most countries in the world—one example is the United States—we have a number of social mechanisms to ensure that all Canadians have the minimum they need.

Of course, many people envy the fact that Canada has always ensured that Canadians had their old age pension, subsidized housing and federal assistance for provincial welfare payments, so that people always had something to fall back on when times were hard.

Today, these principles in which we take so much pride may be threatened. I would like to show you how important the Canada Assistance Plan is and read the objectives of the plan as they were drafted 25 years ago: to support the provinces in providing welfare payments and institutional care appropriate to the needs of the needy; and to support the provinces' social welfare services aimed at alleviating, eliminating or preventing the causes and effects of poverty, child neglect or welfare dependency.

Mr. Speaker, all Canadians know that these are the principles that guide our social policy. For some time there have been various cuts in our social programs because of the deficit. The GST was supposed to deal with our deficit, but nevertheless, the government has managed to put a cap on spending that will affect the neediest in this country. Our point is, that although we have had a long tradition of providing social services in this country, gradually and very subtly, the government is cutting costs.

Mr. Speaker, the three provinces that are affected are British Columbia, Alberta and Ontario. These provinces have welfare plans, and now they have to raise taxes provincially and even at the municipal level to cover the shortfall, because they want to maintain national standards. This does not augur well for the rest of the country, Mr. Speaker.

Gradually, we notice that these major social benefits are undermined. I use that word because the various provinces are making efforts to help those in greatest need and see these funds being cut. Certainly the provinces in question will in turn have to cut if they do not find the financial wherewithal. What we should keep in mind is the national government's responsibility to ensure that all Canadians have the minimum required to keep them from extreme hardship.

Almost every day, or at least every week, we see on television countries that are incredibly worse off than we are. It is true that if we compare, we realize that we have a great country that cares about people's welfare, and rightly so, because it is part of what makes us Canadian. And we are proud of it. Of course, it was paid for by our taxes, but we were proud to take part because we knew that the least advantaged in our society would have our help, not directly from each one of us, but with some contribution of ours. However, such measures have called this into question and are not in keeping with our ideal as Canadians. We want to preserve this tradition of helping those in need. And I think that as a society that calls itself Christian, we want to maintain such things. Here we see a subtle way to undermine our basic rights.

Mr. Speaker, I would like Canadians to realize that some people are not affected by these cuts. Who is to say that tomorrow, other cuts will not affect you? That is the issue. We want an egalitarian system. If we see that part of our society is deprived, believe me, we could be the ones to be hit by cuts tomorrow in a most basic area in a society like ours. We realize that we have moral obligations to those in greatest need.

Mr. Speaker, I would not like to elaborate on that too much; I think the message is very clear for the government. Nevertheless, there have been many demonstrations. Many briefs were presented by volunteer groups of people who give freely of their time. They realize that we must always be alert and vigilant to ensure that the most disadvantaged have a chance to obtain the basic necessities like health care and housing. Many studies show that if suitable housing is available, there is less illness, people are less discouraged and hospital admissions are down. It is as simple as that.

So in closing, Mr. Speaker, I would say to our fellow Canadians that we should not let this go by in silence; we should say that there comes a time when cuts in such a fundamental area as our social welfare cannot be tolerated. It is up to you and not only members of this House. We are representatives and servants, but we would like all Canadians who are aware of what such cuts imply to communicate with government members, tell them that you are aware of what they are doing and that you will not let some of the most basic programs that are in keeping with this country's greatest traditions be continually undermined in silence.

[*English*]

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have been listening very carefully to some of the addresses in the House this afternoon with regard to Bill C–32.

I would just like to take a few minutes to participate in the debate today and address some of the major financial hurdles that all Canadians face, the fact that we are really living beyond our means. That means that we spend more than we take in.

This fiscal year it will be around the $30 billion area. We have to curtail our spending. It is difficult in certain areas and we certainly have not zeroed in on the health care of the lower income people and the social services.

The government has looked at absolutely every department and every issue, and everyone is going to have to contribute to get our deficit and our debt down.

The measures that we have taken within this Bill C-32 are in keeping with our agenda and will help us contain the deficit.

• (1630)

If we do not act now, we will not have the money to provide social services in the future. As I said, I know it is extremely difficult.

I know that some of my colleagues have discussed the numbers on the deficit and the debt. Currently the debt is sitting at $400 billion. This is certainly a big number, $400 billion which requires $43 billion in this year's expenditures just to service the debt.

When we came into office, and this is very interesting, the debt was sitting just at the $200 billion level and it has grown. Yes, it has doubled. But the growth is due to servicing the debt, Mr. Speaker, and certainly it is not due from other areas.

What I really want to talk about is that we have a problem. Why can we not all work on this together? The thing I have heard from my colleagues on the other side is discussing interest rates, the high interest rates, the high value of the Canadian dollar. Yes, they are high. In order to get those down, we flat have to cut our expenditures and get our deficit and debt down. This will also help put us in a more competitive position so that we can trade. Indeed, Canada is the most trade dependent nation in the western industrialized world. We have to trade to exist.

We hear people talk out of one side of their mouth saying get the dollar down, get interest rates down, and yet continue spending—and maybe you can help me, Mr. Speaker—but I have not heard anyone suggest a cut. They are asking today for us to withdraw the bill, which we have no intention of doing, for more money for health and welfare. It is a major department, but already the department spends 55, 56, 57 per cent of our budget. As some of my colleagues have stated, about $36 billion, $37 billion goes into the CAP transfer programs in this fiscal year.

We have to spend our money more wisely, spend it better, and we have to stop the treadmill from gaining so much speed. I have heard you ask for money for National Health and Welfare. I have heard money for science and technology, which I support. We need more science and technology, research and development. I have heard you ask for more money for agriculture. We would not eat. Our farmers, our agriculture people all across Canada have problems with regard to the GATT, the regulations and the subsidies that the European and the United States are applying to the export market on agriculture.

I have heard people ask for money in the transportation area with regard to runways as well as new terminals. Yes, we need new runways in certain areas across this country. I have heard people talk about housing. Housing is extremely important., Through CMHC, the Canada Mortgage and Housing Corporation, we assist about 40 per cent of the homeowners within Canada and we would like to assist more.

These are all worth-while valuable areas, but we are not going to be able to help anyone unless we are able to get our deficit down and our debt removed. As part of this effort, this bill addresses capping at 5 per cent the Canada Assistance Plan payments to the three better off provinces, Ontario, B.C. and Alberta. I am indeed from the province of Alberta, and it is hard. But we all have to get this under control.

Now, 35 cents of every dollar the federal government gets goes to service the debt. We cannot apply it against any programs. We cannot utilize it for the increase of our standard of living, increase of hospital care or educational institutions. No, it must go to service the debt.

With regard to Ontario, it carries carry about a $48 billion debt that is to be reached in the year 1991-92. It requires 12 cents out of every dollar to service the debt. In the province of B.C. the debt this particular year is going to be about $615 million and four cents of every dollar goes to service it. In the province I come from, eight cents of every dollar we collect goes to service the debt.

The constraints, or restraints, in the province facing the federal government are major in comparison. We all have to help. We all have to participate. It is everybody's problem. We will certainly maintain our fiscal restraint and work toward the lowering of the deficit, which will

be about $25 billion in two years and then down to $6.5 billion in the year 1995 at which time the government will no longer have to borrow outside to service the debt.

While we recognize that this is a very serious move, we also have to say that the amount of the federal transfer payments has been growing and indeed has grown at a much faster rate than the other programs. A major review is needed and certainly the Minister of National Health and Welfare is well aware of this. He met with his colleagues in June, I believe, and again just last week the counterparts in the provinces to discuss the whole area of health care and welfare. Indeed, we recognized that perhaps the time has come to take a look at how better we can do this.

Really what I want to say, Mr. Speaker, and I appreciate the opportunity, is that I know it is tough, but everybody has to help, all departments have to help, to reduce the deficit and debt. Then we will be able to support social programs within this country, maintain a standard of living, health care education that will be great for our youngsters instead of leaving them with a tax burden that would forbid them fro, perhaps having those beneficial elements we are able to give.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I would like to thank the hon. member who just spoke for really setting up the question for what I have to say in this House today.

The hon. member said that we live beyond our means and we have to curtail our spending. She said everyone has to contribute to get the deficit down. Then she accused the opposition of speaking out of both sides of our mouths.

Well, talk about the two-faced business lobby, talk about speaking out of two sides of mouths, talk about the cheek of this government suggesting that we have to all take and pay our fair share to get the deficit down so that social programs, health care programs and education in this country can be covered by this government. Let us take a look at some of the facts.

It is really interesting that this government and the corporations in Canada are all muling about how high the deficit is and how we all have to tighten our belts and how we all have to take and pay our fair share, but in fact if corporate Canada were paying its fair share of taxes in this country, we would not have the deficit we have and we would be able, with no difficulty at all, to maintain the social programs in this country, to maintain health care in this country, and to maintain post-secondary education levels in this country in all of the provinces and territories, not in a select number of provinces and territories.

Let us look a little bit at the facts. In 1987 Canada had 362,828 corporations that reported profits of $87.7 billion. That is excluding intercorporate dividends. Guess how much they paid in taxes.

Well, they were supposed to pay 36 per cent of that in taxes. Thanks to the leaky system that this government and the Liberal government before it put into place, they in fact paid 17.7 per cent, about half of what they should have been paying in corporate taxation. Despite combined profits of $25 billion, 118,162 corporations, or about one in three, paid no corporate tax whatsoever. Not a cent, not a penny. Who has to tighten their belts, Mr. Speaker? Who, on the one hand, is not paying a cent of corporate tax, and on the other hand, is out there telling Canadians through this government that we all have to share the pain, that we all have to suffer? Who is suffering? Low income Canadians, students, the sick, the elderly.

• (1640)

I would not for a moment suggest that the Tories don't have an agenda. In fact, the hon. member just said "we are sticking to our agenda, and our agenda in the Tory government is let the little people, the people who are struggling, the people who are trying to keep this country running, pay, pay and pay again, and let corporate Canada yet again off the hook and lay the blame at the feet of the working people in this country, of the sick, of the elderly and of the poor".

The business groups in this country, and this government, are wrong about the deficit. It is not government spending that is too high. It is the way that we, in fact, are financing government spending that has been wrong. The cost of carrying past debt is expensive because too much of it is short term and the interest rates are too high. The Minister of Finance should restructure the debt and direct the Bank of Canada to lower its interest rates. The government should quit listening to the business groups which are not paying taxes which tell us on behalf of Canadians that we all have to cut back, that we all have to suffer and that we all have to pay.

I would like to talk just for a moment about my riding of Mission—Coquitlam. My riding is the shake and shingle capital of Canada. We produce in my riding cedar shakes and shingles. As you know, this government has

botched that industry. I tell you, Mr. Speaker, that the shake and shingle workers who are unemployed as a result of these botches are not very impressed by this government's telling us that everybody has to pay their fair share, and that we have to suffer in British Columbia because this government has botched it.

In my riding there is a blueberry industry. We produce more blueberries and more cranberries, more soft fruits, berry fruits like that, than anywhere else in North America. And, yet, because of the vagaries of weather we have had failures in crops this year. Those farmers are not convinced that this government is right when it says that they have to shoulder yet a further share of the pain through the capping of the Canada Assistance Plan. Young people in my riding, not young people 15 and 16 but young people 25, 26, who still cannot get full time jobs at decent wages, who still are unable to leave home.

Single moms in my riding, Mr. Speaker, who are living below the poverty line are being told because of this government's cutbacks in programs that they, in fact, are going to have to shoulder an even greater share of the burden.

All of these people are finding it very tough to believe, while half of corporate Canada is paying not one single cent, zero, in taxes. These people are finding it very, very tough to believe that they are not paying their fair share.

As if Bill C–32 is not enough, as if that is not putting the squeeze on the average Canadian enough, we have a record from this government of Bill C–21. You will remember that, that was the UI bill that made it harder to get unemployment insurance, makes the ability to collect unemployment insurance for a shorter time, and in fact makes it very very difficult for some workers in some industries to collect UI at all.

This government has partially deindexed family benefits. That means that families who need money get less each year. This government has clawed back family allowances and pensions and partially deindexed them, which means that the threshold for cutoff of benefits gets lower each year.

Further cuts to social assistance and cuts to health and post-secondary education in Bill C–69 and Bill C–20 are threatening the future of medicare and accessible education. There is still no sign of the long promised, twice promised in election campaigns, national child care strategy which is desperately needed.

There is not enough integrity in this government to pay fairly government workers the pay equity that even the Human Rights Commission has said they justly deserve. This government is ignoring that. Nor is there enough integrity from this government to bargain fairly at the bargaining table.

Hon. members from the other side of the House get up and say to us with the highest level of sanctimony that we all have to tighten our belts and we all have to pay.

In closing, I would like to say that I would have an awful lot more respect for this government and for its agenda if it included all Canadians and did not exclude its corporate friends.

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am happy to see that the Parliamentary Secretary is back. I hope she will be able to stay and listen to my comments on her speech.

[*English*]

I am very happy that I had the opportunity to hear what she had to say because the Conservative Party stands in public opinion in my city of Toronto and in North York as well at around 8 per cent.

Anyone who is wondering—perhaps members of the government party are wondering—why the popularity of their government is so low just had to listen to that parliamentary secretary stand up and give her explanation of why this unacceptable measure, Bill C–32, is being brought forward now. We understand that Canadian people are not stupid and that they have been following the activities of this government since 1981. Clearly in metro Toronto, the Canadian people have had it with this government.

She stood up and said that the deficit was a big problem and that we all had to do our share to reduce it. The ceiling is being continued on the Canada Assistance Plan so that our province of Ontario does not receive the share which the federal government agreed to give it at the beginning of the program when so many worth-while support programs were entered into by governments in

Canada which form the major part of the social safety net underlying poverty in our country.

The social safety net, since its creation, has never been more needed than it is now after eight years of Tory government. The social safety net has never been more threatened than it is now after these eight years of Conservative government.

To say that this measure is justified by the deficit will make my voters recall the campaign promises that this government made in 1984. In 1984, when it was first elected, it was largely on the basis of promising to eliminate a deficit created by successive Liberal governments which stood then, if I remember correctly, at $174 billion.

The Conservatives were elected because it was said that the Liberals did not care as much about the deficit as they did, and they would do something about it.

How many years have elapsed under their government: six, seven or nearly eight years? Far from reducing the deficit, they have seen it more than double. Now, as if it were not the first time, they are saying that it is time to take on the problem of the deficit.

Their credibility has worn rather thin. Anything that they feel should be done now to bring down the deficit could have been done much more easily, much less painfully with much more public support in 1984 when Canadians were ready to believe that they were going to decrease the deficit.

In 1984 the Liberal deficit which the government could have decreased at that time, if it feels it is capable of doing it now, would have been more than twice as easy to eliminate than the deficit now. Not only was the amount less than half, but we were in a boom period when the social safety net was not being looked to by nearly as many of my fellow Torontonians or by our fellow Canadians who are looking to it now.

• (1650)

Now there are far more people who need the social safety net. Now there is far more of a deficit to deal with. This is a deficit which has been created by seven, nearly eight years of Conservative government.

People do not believe at this point that this government is capable of reducing the deficit and they do not believe that this government intends to reduce the deficit.

The parliamentary secretary looked across and said: "All of us have to make our contribution to doing it". In the very same budget that introduced this very harsh measure, as I understand it—and I hope the parliamentary secretary or a member from the government party will stand up and correct me if I am wrong—the government did not give a break to the corporate welfare bums identified by the New Democratic Party. I think it is shooting at the wrong target when it talks about corporations. The government actually deferred the existing tax law for the taxation of capital gains passing through successions of wealthy families.

How much did that measure take away from its plan or commitment to reduce the deficit? How much could it have spared for the social safety measure if it had not introduced on a gratuitous basis another plan to make it easier for the rich to get along without paying taxes, not corporations as the last speaker for the NDP put it? Corporations have a role to play. The taxes that they pay have to be competitive with the taxes that are paid by corporations in other countries.

Why the payment of capital gains tax by individuals should have been deferred in the very budget that weakened and threatened and undermined the social safety net is something that I would like to see a member from the government party stand up and defend.

I understand that most members of the Conservative Party did not even know that this very budget that was undermining the social safety net in a manner that I intend to elaborate on for a few minutes was extending and increasing tax benefits to the wealthiest sector, the wealthiest group in Canadian society.

I have nothing against the rich in Canadian society. That is for sure. I certainly feel that a budget, which is administering harsh medicine to provinces and harsh medicine to poor families in Canada, should not at the same time have opened a new loophole for deferring capital gains tax to the wealthy.

One of the ways this government gets away with measures like this is that they are complicated and they are hard to report. I think it is worth taking a few moments to elaborate on some of the background of the benefits of the Canada Assistance Plan.

This is a program whose beneficiaries probably in most cases could not even identify it, but they are people who have received in the 1991–92 fiscal year $6.4 billion. This is a measure in which federal and provincial governments share equally the cost of basic necessities such as food, shelter, clothing, utilities and household supplies. This is a measure under which the federal government in the last election campaign promised to deliver day care.

An hon. member: We cannot afford it.

Mr. Kaplan: Why did you not say so in the election campaign? The hon. member is saying the government cannot afford it. It says that now, now that it has another two years left in its mandate. During the election campaign what it said, as we and as the NDP did too, was that day care was the missing program under the Canada Assistance Plan and that it would introduce it if it were elected.

We were not elected. We can be excused.

Some hon. members: Oh, oh.

Mr. Kaplan: I see I have only two minutes left. What I would like to know from the parliamentary secretary is this: How can that party now complain about being at 8 per cent popularity in the city of Toronto or at 16 per cent nationally when it had the nerve in the last election campaign to promise day care and it says now it does not have the money?

Was it not smart enough with the Minister of Finance that it had during the last Parliament—after it had doubled the deficit—to know that maybe this promise should not have been made?

This government is on a very sticky wicket to try and defend this measure on the basis of financial need when it has created the financial need by the way in which it has run the country since 1984.

[*Translation*]

If they had solutions to reduce the deficit and were committed to reduce the deficit in 1984, why did they not act on their promise when they took power in 1984?

Mr. Speaker, in the city of Toronto—

[*English*]

In the city of Toronto the government still has eight points left to go. Nationally, it still has 16 points left to go. If it continues to make this kind of defence of its programs, it will not be very long in going through that 16 per cent.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, it is really a shame that there has to be a debate at all on Bill C–32. It is yet another vicious cut brought upon the poorest of the poor of this country by this government. I have here a list of programs provided under the Canada Assistance Plan and I want all the members of this House to know what these programs are because it is important that they know what this government is proposing to cut in this bill. There are programs dealing with children in foster homes who need protection, with physically or mentally disabled people, with single–parent families, with seniors, with the unemployed, with families and individuals in need, with low–income earners and with battered women.

That is the list I found in the Canada Assistance Plan annual report.

The government is proposing cuts in the payments to assist these people. Mr. Speaker, I suggest that this bill is flawed. This House should reject it.

We also have a quote from Mrs. Anne McGrath, the Vice–President of the National Action Committee on the Status of Women, who stated the following before the Finance Committee during the study of Bill C–69. The source is the May 15, 1990 proceedings of the Committee, on page 121:5. She said: "Why is CAP important to women? I think we want to say that programs supported by the Canada Assistance Plan essentially present our most basic public commitment—this government's and this country's most basic public commitment—to women's equality. We view any threat to those programs as a reduction in this commitment.

As well, any reduction in this commitment and the reduction we are talking about in Bill C–69, we believe, puts at risk the real lives of poor and working women who are the primary beneficiaries of the programming that is eligible for funding under the Canada Assistance Plan.

• (1700)

I think our point is relatively simple. The services that are covered under the program embrace the range commonly known as welfare service. The primary target group is poor women with children. Although we still believe the best welfare is a good job, we also are quite concerned to make sure there is adequate support for the poor women with children who want to get those good jobs. We need good child care. We believe the best investments are with our youngest citizens."

Mr. Speaker, it is obvious that the government that introduced a bill such as Bill C-32 is doing exactly as it did with Bill C-69. Furthermore, it is obviously in disagreement with all groups supporting women, the poor, the unemployed and any person who needs the help provided by the Canada Assistance Plan.

[*English*]

In fact it is safe to say that this government has done worse than nothing for the poor of this country since it took office in 1984. The bulk of its program cuts have been in this area. We see this cap here. We see the clawback in old age security payments. We see increased premiums for unemployment insurance. We see reduction in payments under the Unemployment Insurance Act, both in duration and in amount. I suggest that what the government is doing is trying to solve its deficit problems on the backs of the poor.

I made a speech last Friday and effectively discredited the Minister of Finance's opening gambits on his budget presentation. This bill represents another part of his budget, and I indicated in that speech very clearly how the government had failed Canadians in leadership and its efforts to reduce the deficit.

In response to a question that was put to me after the speech when I was asked what it was we would have done, I neglected to mention one very important thing, and that is the things I suggested be done we would have done in the very first year of office, in this case in 1984. I suggest had the government made the cuts in 1984 instead of giving tax breaks to the wealthy and increasing its expenditures, spending money like a drunken sailor, trying to hand out patronage plums to all its friends, if instead of doing all that it had really bitten the bullet, swallowed it, and said it was going to solve the deficit problem in Canada and been serious about it—as it kept saying it was throughout the election campaign—then today it would be expanding these programs instead of cutting because it would have money in the bank, especially after having introduced something like the GST that is bringing it in so much money.

Yet the government did not think of that in 1984. Oh, no, no, they did not. They said: "Oh, well, we are a new government. The cupboard is bare but we can afford this and that. We can get jobs for our friends. We can help out this group and that group and spend money on this public work project and that public work project. We can build a new penitentiary in the Prime Minister's constituency and all kinds of things".

Remember all that? Now we are paying for it in spades. Now it is saying the reason why the deficit is so big is because of the interest payments on the debt it inherited. That is palpable rubbish. The reason it is having all these big interest payments today is because it did not reduce the government expenditures when it took office the way it said it was going to. Instead it gave tax breaks. It allowed the gap between revenue and expenditure to increase in 1984 and 1985 and 1986 instead of dealing with the issue properly. By 1987 it knew it had an election to face so it did not increase taxes at that time. Remember, it gave us a tax break? Remember it introduced part one of tax reform and lowered taxes before the election and then brought in the GST right after the election.

Any responsible government would have done the two at the same time, but not this group. It had its eye on the election campaign and it was determined to win, keep themselves in office at any cost, and boy, has it cost the Canadian people, particularly the lowest income groups in the population.

Let me quote some statistics that will back up my point. I know the hon. members do not like to hear statistics because it upsets them. I am quoting now from "Household Facilities by Income and Other Characteristics", a publication of Statistics Canada this year. "The 20 per cent of households with the lowest incomes, that is the bottom quintile, the bottom of one-fifth of all households in Canada, had the same share of total income in 1989, that is 5.2 per cent of the total income in Canada, as in 1981". In other words, over the nine year period they got no increase whatever, while the 20 per cent with the highest income showed an increase in the same period from 39 to 41 per cent, almost 40 to 42 per cent. The increase was at the expense of households in the middle three quintiles. Which is exactly what we have been saying. The middle classes have suffered under this government and the lowest groups in the whole system have got absolutely zero.

The second statistic: "Home ownership rate of households in the lowest quintile declined to 39 per cent in 1990 from 45 per cent in 1980". A significant drop, because house prices have gone out of reach for people in the lowest income groups.

Finally, "the proportion of renters spending 30 per cent or more of income on rent has decreased from 23 per cent in 1989 to 27.2 per cent in 1990", which sounds just fine, except that when you look at the lowest quintile you will find that, in fact, it increased significantly there.

On average, renter households spent somewhat more of their income on rent in 1990 than in 1982, an increase of about 1.5 per cent.

These figures belie a failure on the part of the government to address the needs of the poor in Canada and it has failed in this bill to do anything about it. In fact, it has made the situation worse.

[*Translation*]

The Acting Speaker (Mr. DeBlois): I simply wish to remind the House that, because of the Prime Minister's statement and the opposition's response, the debate on the orders of the day will be extended until 5.47 p.m. Therefore, Private Member's Hour will begin at 5.47 p.m. The hon. member for Broadview—Greenwood.

[*English*]

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, first of all I want to go over the fact that this Canada Assistance Plan covers the payments for those who are most disadvantaged in our community.

A lot of people tune into these House of Commons debates and sometimes we use expressions like CAP and we do not tell people often enough what we are actually debating. I know in a city like Toronto when we talk about the fact that we are getting payments cut back by the government that are due to those people who are disabled, foster homes for abused children, safe housing for abused women, subsidized child care, we are talking about capping. We are talking about cutting back.

An hon. member: One of the three the richest provinces in Canada, in the whole country.

Mr. Mills: The member from Newfoundland talks about the three richest provinces in Canada. I presume that he would include the province of Ontario as one of those provinces. I want to let the hon. member know that right now in the province of Ontario and specifically metropolitan Toronto, we are on our knees.

I must tell you that I am totally sympathetic to your riding as well. I am not trying to say that people in Toronto are the only ones suffering pain. I want to let you know that this is probably the first time ever that we in Toronto have experienced the kind of pain that the hon. member from Newfoundland has faced over many years. This may sound blasphemous to some of my friends in Toronto, but perhaps it is not a bad thing that for the first time ever some of us in Toronto have experienced pain the way many other regions of the country have faced it for many years.

There may be a chance that this experience we are all going through right now might even bring us closer together. In fact, I am quite happy this afternoon that we are talking about the economy. Because, with all my respect for the Constitution, the people in my community, in my riding, certainly want the unity question settled, but they want us in this House to focus on the economy.

• (1710)

When my friend from Newfoundland talked about coming to his riding and that things were rough there, I understand that. But I will tell you what is happening in Toronto right now and why these cutbacks are of such concern for us.

It doesn't matter whether it is rental housing or the cost of goods, the prices in Toronto are almost double those in most other regions of Canada. So if you receive a welfare payment or an unemployment insurance cheque in Newfoundland, it goes a lot further than it does in Toronto. You are lucky if you can rent a one bedroom apartment in Toronto for $750 a month. I know in my riding that single mothers with kids are renting basement apartments for $1,100, $1,200, $1,300 a month. I know in some regions of the country that just sounds right off the wall, but those are the facts. And so when all of a sudden we are faced with this economic crunch, which we have never faced the likes of before, com-

pounded with these cutbacks, it really exacerbates the pain.

So we on this side of the House are concerned about the deficit and the debt. We know it is a tough complex problem, but there is no way we are going to stand up here in this House and just say that this realignment of CAP is something that we take lightly. We are trying to communicate to you that the once secure, rich province of Ontario—and I am only speaking for Ontario right now—is, for the first time ever, on its economic knees. Combined with that, it is natural that we have a morale problem, and we have got to get the morale of this country rolling again. We especially have to get it going in those provinces that traditionally have had an ability during an economic crisis to generate wealth and keep the whole nation moving along.

We talked a little bit about this last Friday and I am going to repeat myself. I do not believe that the way we lift the morale of this country off its knees is by further cuts. I also do not share the view of members of the New Democratic Party which is out to somehow punish the rich. They say they don't pay any taxes—and there are some who don't pay any, and I think we have got to address that—but we are not anti-rich here and we are not anti-business. We need a healthy business climate in order to create jobs, in order to get this economy going again.

I would be very careful about putting a stigma on people who can create wealth in this country. I want to repeat what I said on Friday; we need to attract investment to this country, we don't need investment to flee this country. We need investment, foreign investment especially, to look at this country and see that it is productive, that the morale is good despite the fact that we are facing a tough global economy, and we have got to sort of do what we have to do to pick that morale up. We should not be picking, with respect to the NDP, on corporate Canada and upper income people who we need here to continue to invest and to continue to create jobs, the ones that are left. There are a lot of businesses in this country right now that are on the edge, that are having second thoughts as to whether or not they want to continue their presence in this country and I do not think we should be doing anything that would cause them to second-guess their commitment to investment in this country. We need foreign investment here.

I want to repeat what I said last Friday. The way to attract foreign investment, the way to get the capital we need that will create jobs, that will ultimately look after the deficit and debt that we are all concerned about, is by creating a productive environment where people will have the feeling that they want to go back to work, that they want to learn more and that they want to go back to retrain themselves.

Any cutback in any area that drives people further away from getting up off their knees or getting out of their current slump is counterproductive to the entire economic fabric of this country, so I would humbly request that the Conservative Party reconsider this cutback to the most disadvantaged people in our community.

Mr. David Dingwall (Cape Breton—East Richmond): Mr. Speaker, I too, want to participate in the debate on this piece of legislation.

It has received a great deal of attention both in terms of the provincial governments which have been affected by it and, more importantly, the people who will be affected by this legislation.

The purpose of Bill C-32, an act to amend the Canada Assistance Plan, tends to extend the 5 per cent ceiling on the rate of growth and transfers to the Canada Assistance Plan from two years to five years. This cap applies only to the provinces which do not receive equalization payments. They include British Columbia, Alberta and Ontario.

I think it worth while for members of the House to be reminded of the purpose of the Canada Assistance Plan. I know members on this side of the House have been very concerned about what the Government of Canada was doing with regard to transfer payments.

It goes back to Bill C-69, introduced by this administration, which in effect curtailed the amount of money going to provincial governments to provide what I would deem—perhaps members opposite would interpret it differently—provided necessities for individuals in our society.

Basically, the Canada Assistance Plan was enacted in 1966 to encourage the development and the extension of assistance in welfare services programs throughout the country. Under this plan, the federal government has entered into agreements with the provinces and territories to share the costs incurred by the provinces and

municipalities in providing social assistance and welfare services to needy Canadians.

The primary objectives of the Canada Assistance Plan are twofold. One is to support the provision by provinces of adequate assistance and institutional care for persons in need. The second is to support the provisions by provinces of welfare services designated to lessen, remove or prevent the causes and— I underline these words, Mr. Speaker, which I am sure that you as the arbitrator of our proceedings here would want to give careful consideration to—the effects of poverty, child neglect or dependence on public assistance.

When we are talking about the ceiling on payments under the Canada Assistance Plan, we are not only talking about governments, whether they be in Ontario, British Columbia or Alberta. We are also talking about municipalities that in many instances are the first group in our society to be confronted with those hard core social needs which my colleagues who have spoken before me have brought to the attention of this House.

More important than governments and more important than municipalities are the individuals who were involved. As my colleague from Broadview—Greenwood has alluded to, if you are poor in downtown Toronto or in St. John's East, you are still poor.

The hon. member opposite gives us a sigh as if there was a distinction that we as a national government should make for a poor individual in one end of the country from a poor individual in the other. I suggest to the hon. member that if you are hungry, you do not have a job, you cannot find child care for your children, you cannot provide the necessary clothing, the necessities of shelter, lodging and food, if you cannot do that anywhere in the country, we, as a national government, must come to the forefront and participate in trying to resolve those hard core realities of Canadian society.

• (1720)

The response, unfortunately, of the government opposite has been to say: "Look British Columbia, look Alberta, look Ontario, your respective municipalities, the people who reside in those provinces, that is tough. You go out on your own and you do the best you can." What an irresponsible way to proceed. Is that the Canadian mosaic? Is that the generosity and the tolerance that the Prime Minister not more than a few hours ago talked about? Hardly not, Mr. Speaker.

This decision to cut back in British Columbia, Ontario and Alberta was taken to the British Columbia Court of Appeal. It was stated by judicial minds that the Government of Canada in its unilateral move to put a ceiling on transfer payments to those provinces was illegal.

The Government of Canada appealed that to the Supreme Court of Canada which said very clearly, and note the wording, Mr. Speaker, that: "Yes, the Government of Canada had the legal propriety to make the decision to unilaterally cut back on transfer payments." Yes, the government has that authority, but I ask the question to you, sir, and to members opposite, having the legal authority, does that give you the moral authority? I think the answer is unequivocal for my party that it was wrong for the government to proceed the way it did in this particular instance.

What do we mean when we talk about such things as Canada Assistance? We are talking about dental care for children. We are not talking about dental care for the president of the Bank of Nova Scotia. We are talking about dental care for kids in Toronto, Mississauga, Hamilton, Calgary, Edmonton and Victoria.

Members opposite say: "Ah well, they are rich those provinces." Those kids are not rich. They have the same needs that your children and my children have. Essential living services for disabled persons, I guess you are saying to disabled persons in Ontario: "Get on a boat and go to Newfoundland because they get equalization payments. You cannot get it in Ontario so move to another province." I mean if that is not Tory logic and Tory sense, it is beyond me, Mr. Speaker. Foster homes for abused children is where we cut into. Safe housing for abused women. Well, we are also talking about subsidized child care for low income families.

Yes, there are lots of Canadians out there who would like to take their shots at Toronto. There is no question that they would like to do that, but the hard core reality is that if a kid lives in Toronto, Hamilton or anywhere in the province of Ontario and is poor and does not have those basic necessities that I have referred to, or a kid lives in my constituency or anywhere else in this country, a poor kid is a poor kid is a poor kid. I find it very unflattering that government members opposite would try to paint a picture for those citizens by throwing away

their lifeline to dignity, to hope for a better future for them and for their children in the years to come.

I would only hope, Mr. Speaker, that members opposite would see their way in understanding that Bill C–69, which was introduced at an earlier time, is wrong both in terms of its substance and the effects it will have on Canadians. Equally so, Bill C–32, which in its very substance, the procedural way in which it has been introduced, the fact that it had to go to the Supreme Court in order to get some legitimacy, is wrong for the country, is wrong for national unity, is wrong because it hurts those Canadians who need the help most, and that is poor income Canadians wherever they may be, British Columbia, Alberta or Ontario.

Mr. Lee Richardson (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I just wanted to take a moment to perhaps clarify a few things so that those reading or viewing will not be misled by some inaccurate statements that have been made earlier this afternoon.

It has been continually said, and I should point out not by the hon. member from Broadview—Greenwood, but several members of his own party and certainly the NDP before him, that corporations in this country do not pay tax.

I think it should be clear to Canadians now that clearly, Canadian corporations do pay tax. There are very few reasons why they would not. A number of corporate loopholes have been closed with tax reform since 1987. There really remain, perhaps, one or two reasons why a corporation in a given year might not pay tax. It is simply because they have carried forward losses from the year before or in the year of paying tax, rather than make a profit, that corporation had a loss.

Even with the large corporation tax that was brought in by this government, many large corporations in this country which in a given year had a loss would have to pay tax under the large corporation tax which is essentially a minimum tax for corporations.

So it is really unfair in 1991 to categorize any Canadian corporation as not paying any tax.

The other thing I just wanted to make a brief comment on was this continual reference to cutbacks. Clearly there is no cutback. I do not understand how members can stand in their place and talk of cutbacks when what we are doing with this program is merely restraining the increase in spending and increase in transfers to three provinces to 5 per cent. How can we talk about cutbacks when we increase the funding of these programs. Only in three of the provinces, the three richest provinces in the country, are we in fact restraining the growth of those programs to 5 per cent.

So in those provinces, that is, Alberta, Ontario and British Columbia, the federal transfers under CAP will increase this year up to the 5 per cent.

Limiting the growth of CAP does not put Canada's welfare system at risk. With the federal government's support for provincial social assistance, spending will continue to grow in all provinces, including Ontario, British Columbia and Alberta. Fortunately, the economy is growing but we need to continue with responsible fiscal policy to ensure that the recovery is stable and long term. Economic growth and more jobs is the best way to help people regain their financial independence.

[*Translation*]

Mr. Eugene Bellemare (Carleton—Gloucester): Mr. Speaker, I rise today to participate in this debate on Bill C–32, an act to amend the Canada Assistance Plan, introduced by the Conservative government. The purpose of this bill is to extend for two to five years the 5 per cent CAP on transfer payments under the Canada Assistance Plan. This CAP only applies to provinces who do not receive equalization payments at present, that is to say British Columbia, Alberta and Ontario.

In 1984, Prime Minister Mulroney during the election campaign stated with great fanfare that it was a sacred trust. He claimed that he would never touch or cut social assistance, medical programs and the whole social fabric of Canada.

• (1730)

Since then, for over seven years, the Prime Minister and his Tory government have made one cut after another. I heard government members say: "Oh well, you know Ontario, Alberta and BC are very rich. They can afford such cuts." Let me tell you that the poor happen to gravitate towards these provinces. Social programs are very strong in these provinces, at least they used to be until this government assumed power.

I had the privilege and the pleasure of serving in the regional government of Ottawa—Carleton. During my tenure, I sat on the Social Services Committee for five years and had the opportunity to realize how many people were in fact gravitating towards our so-called prosperous regional municipality of Ottawa—Carleton in order to be able to benefit from social services.

[*English*]

The Social Planning Council for the Regional Municipality of Ottawa-Carleton predicts in the two first years of these cutbacks that the Regional Municipality of Ottawa-Carleton will suffer in the amount of $600 million.

[*Translation*]

I am sure that government members will say: "Oh well, the regional municipality of Ottawa—Carleton is very rich." Well, the regional municipality of Ottawa—Carleton has its share of poor people and provides programs like other municipalities. Some of the social programs we provide are:

[*English*]

Single parent families, mentally and physically disabled persons, the aged, children in care or who need protection because of abuse and neglect, the unemployed, families and individuals in crisis, low income workers, battered women.

[*Translation*]

The list goes on. I have even seen people who could not pay for their own relatives' funerals. The taxpayers of the region pay for those people.

This means that property and provincial taxes in Ottawa-Carleton, in my riding of Carleton-Gloucester, will go up more and more because when you set a ceiling on assistance, it does not stop there. There are no fewer poor people, welfare recipients, battered women or abused children. It does not reduce their number. The unemployment rate is over 11 per cent. One often forgets that people on welfare are not counted. The number of people on welfare is phenomenal.

Is the number of welfare recipients reduced by cutting transfer payments to the provinces? The provinces are caught in a vice. The money spent on social programs comes largely from municipal governments. This means that from now on the municipalities will have to pay more for these programs. It means that people will pay through their property tax, which I think should not be used for this kind of program, because some people have lived in a house for a long time and after a while they are on a fixed income; they can barely survive themselves without going on welfare. They can barely make ends meet and pay their property tax.

So social programs will be further abused instead of making it proportional throughout Canada. It must be paid for. If people are in distress, they must be helped. They can be helped by taking money out of the left, right or back pocket, but money must be found to help them or they are left behind.

Since there do not seem to be such heartless people in Canada, efforts will certainly be made to contribute through the property tax, but it is not the right tax for this kind of service.

We talk about global competition, work, our students having to learn more trades; we talked about free trade with the United States, but now we talk about free trade with the Mexicans. Soon we will talk about competition with the Orient and with Europe. Do we have the students and the skilled tradespeople we really need in our industries? Will cutting education help our industries?

It is a negative approach. We must spend on research and education. It pays dividends. The more educated people are, the more skills they have, the more productive they can be and the more tax they can pay to help the whole machinery of government, the whole government, the whole country.

As for medical services, by cutting federal-provincial transfer payments, are we helping our hospital system or is this Conservative government trying to imitate the medical system in the United States, which is divided into two classes, one for those who can pay for medical services and another for those who cannot and are left out in the street? That is not how we do things here in Canada. We have always spoken of sharing. Our philosophy of life is sharing.

Here is a government that refuses to share its wealth for education, for the provinces' medical system and for welfare recipients. Instead, it prefers to share their money by giving contracts to the very rich all over the country. My experience on the Public Accounts Committee shows me that there is a lot of waste in federal government contracts.

[*English*]

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am not happy to be speaking in this House on this bill. I do not think this is the kind of legislation that this House should be seized with. Clearly it is an attack on three of our provinces in terms of their ability to assist people in need, clearly an attack on their ability to provide the necessary social programs to deal with the upheaval caused by this government in fact through its economic policies.

As you know, Mr. Speaker, Bill C–32 allows for the extension of the 5 per cent limit on the Canada Assistance Plan for the provinces of B.C., Alberta and Ontario. I think people will also remember that Bill C–69 capped CAP at 5 per cent of the federal increases until 1992. This bill extends it to 1995. This is the only mechanism by which the federal government funds social assistance and social services. The government introduced these measures in the name of fiscal restraint and said that the rich provinces that are affected can afford the cap. Well 50 per cent of Canada's poor live in B.C., Alberta, and Ontario. It does not matter where you live. If you are poor, you are poor and do not have enough money to provide the basics of life: food, clothing, shelter.

• (1740)

The irony is that, particularly from Ontario's point of view, the same government that is saying that fat cat Ontario can afford it is the one which attacked the budget of the Ontario government. It found itself in a situation of having to have a deficit. It recognized that expenditures were increasing, particularly in the area of social services. At the same time because of the loss of over 385,000 jobs that revenues were declining, this government has the audacity to attack that decision in order to try and protect the people of Ontario from the impacts of the recession.

In fact, a very major portion of that $9.7 billion deficit is directly attributable to this cap on CAP. It has reduced cash flows back to the taxpayers of Ontario who paid them in the first place. This is the end result of this particular legislation.

I think it is fair to suggest because B.C., Alberta and Ontario have had an image of being prosperous that when people in Atlantic Canada, from the prairies in terms of Manitoba and Saskatchewan, or people from the north find they cannot get employment in their own province or territory, they look to these three for opportunities. A lot of time they go there "on spec" only to find that the recession is worse in Ontario in particular than it is in their own province, and that there are no jobs. They end up on social services and the provinces end up having to pick up more and more of the costs.

I want to remind you that it is not just provincial income taxpayers who are bearing the burden. It is municipal property taxpayers who pick up 20 per cent of the cost. I know that in my own municipality of Thunder Bay the cost to the property taxpayer has risen enormously. We have had to add more social workers, more clerks to process social assistance, more people to help those who have found themselves not only without a job but without the necessary income to support their families.

In a lot of ways they are also victims of another policy of this government, and that is the reduction in unemployment insurance benefits.

In my community in the last three months alone we have had one pulp and paper mill close, putting 450 people directly out of work. We have had another mill lay–off in the neighbourhood of 400 to 500 employees permanently. We have the Port Arthur shipyards which is down to about 60 workers this week with 100 or so laid off. We have the grain industry that is in difficult times. We have a minor rebound right now, but we do not have 1,000 or 1,200 people handling grain in Thunder Bay any more. Most of those people have lost their jobs and we are down to a permanent work force of about 400. CanCar Rail which is between contracts has hundreds laid off, and at the other end of the riding we have one lumber mill which shut down in November. We were able to get it started again this spring through the assistance of the Ontario government. We have a second

one in Atikokan that is currently shut down and we are trying to find a new owner in order to get it started again.

The community of Atikokan had 60 per cent unemployment this winter. The unemployment rate in Thunder Bay is in the double digits.

The point I am making is that all these people had expected to get decent treatment by the federal government when it came to unemployment insurance, only to find that their deferred earnings in the form of vacation pay, deferred earnings in the form of severance pay, counted against them. More and more people are finding themselves on welfare much earlier than they should have been.

It is the property taxpayer and it is the provincial income taxpayer who are being forced to pick up the extra costs, or it is the provincial governments that are being forced to pare even further in terms of the assistance that the provinces can provide municipalities, hospitals, school boards, et cetera.

This legislation we are dealing with today is part of a systematic destruction of our social service network in this country. It is a very blatant attempt to pass the problems from the federal level to the provincial level. As we have seen in the past, the Tories have just learned from the Liberals. They just pass it right on to the municipalities where the only choices they have are cutting services, raising property taxes or raising user fees.

It is a systematic attack. They say they are doing this in the name of restraint, in the name of the deficit. A Statistics Canada study showed how erroneous that kind of statement is. Only 6 per cent of the deficit is due to program expenditures. Forty-four per cent is due to the kind of tax breaks that are given to the powerful and wealthy in this country, changes to the tax system to allow more and more loopholes to exist, more and more people to avoid not just part of their taxes but all of their taxes.

We as a country suffer because they are not paying their fair share of our programs. Whether it is social services, whether it is defence, whether it is transportation, any of the services provided directly or indirectly by the federal government, they suffer because of the kind of taxation policies that this government operates under and this government believes in.

The bill itself will make it very difficult for new programs to be developed, to be established. Very clearly it shows how the government said one thing at election time knowing full well that it was going to another thing.

It looks like my time has run out for the moment.

The Acting Speaker (Mr. DeBlois): It being 5.47 o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Robert Wenman (Fraser Valley West) moved that Bill C-203, an act to amend the Criminal Code (terminally ill persons), be read a second time and referred to Legislative Committee H.

He said: Mr. Speaker, this bill is a life issue. So many times life issues are happy to talk about, like the life issue this week in my family is the birth of my grandson, Joshua Robert Christopher Payne, the first born of my only daughter. I have got all my pictures here. I want to show them and I want to tell the world about this joyous event so that the Chair can share with us, our family and the world the great joy and celebration about the new young Canadian who came into the world this week.

An hon. member: Are you a grandfather?

Mr. Wenman: I am a grandfather, that is right. That is true very much of some of the joyous issues about life, the process of beginning and an end that leads to a beginning that leads to an end, those great cycles.

There are some issues in life that are not quite so easy to talk about. The recent death of my parents, and the death of one's parents is a natural occasion for all to experience who are around this age, I find very hard to talk about here because it still hurts a fair amount.

• (1750)

If we are talking about that death or we are talking about the death of friends or family or those who are close to us, it is something we kind of put aside. If we are talking about your death and all of those listening today, that is something we do not talk about. We do not usually talk about it until it is a bit too late, and then a person is very ill and we do not think we should bring the matter up.

I think it is our responsibility, as legislators who do regulate through law life and death issues from cradle to grave, to confront this issue on behalf of the people we serve here.

I think most people have a romantic thought about death hoping that they will be one of the lucky ones, that somehow they will fall asleep painlessly one night, quietly with one's family and friends around, at peace with ourselves, our family, our friends and the world, a Utopian kind of ending. This is an ending that has come to us through history.

John Keats described it this way in the early 1800s: "Darling I listen; and for many a time I have been in love with easeful death, calling him soft names in many a mused rhyme, to take into the air my quiet breath; now more than ever seems rich to die, to cease upon the midnight with no pain".

This is a very romantic and comfortable thought about death, but Shakespeare was probably a little more right when he said: "Last scene of all that ends this strange eventful history is second childishness and mere oblivion, sans teeth, sans eyes, sans taste, sans everything".

Those were views of the older days when death was an easier, more simple, natural process. A people's faith in technology and their search for eternal life know no bounds in the modern world.

In this new age of advancing medical technology in which death finds no easy piece or end and life is extended again and again and again, one can sustain their dying connected to machines and strapped to their hospital bed, rotting and suffering until all or most of their body parts are gone and then what is left can be frozen and refrigerated into eternity until some kind of technology is going to find a new life for that remaining piece.

For those who wish to extend their lives in that way I give them their right and their privilege, but for me and I think for many others, if I am lying in a comatose state or losing my senses and losing my mobility and my capacity to think, or as Shakespeare says "sans everything", there is a time when enough is enough. When will science and the state allow my will and God's will to prevail and allow a natural death? When does natural life end? When does death begin in this modern age or, for the Christian ethic, when will technology end and allow the individual to call for an end to treatment and suffering and put himself or herself in the hands of God so that the beginning of death leads to the ending of life and the beginning of a new life after death?

Who will make that tough, tough decision in this modern technological world? Will it be the state that decides for you and me? Will it be the medical profession, the family, the pastor or some other individual or the individual himself?

I would hope that it would be a combination of these people expressing themselves in the format of a written health care directive or a living will.

That kind of clear process eases the pain of death not just for the person who must pass through it, but for those who are left behind who have understood it and thought about it before the event.

It ends the bickering, arguing and the hurt of families to some degree, and I think that is what we want to try to do. We want our most difficult life experience of all to be eased from the pain and suffering and to sustain the maximum quality of life to the longest point that we can. At that point there should be a choice of allowing natural death to occur.

This bill deals with amendments to the Criminal Code of Canada. Specifically it deals with the serious subject of the right of individuals who are in the latter stages of terminal illness to refuse and withdraw from medical treatment in order that the timing of a more natural death may preclude unnecessary pain and suffering.

In essence, this bill allows all of us in the House of Commons to address this question. This bill is not a be all and an end all. It is not the final answer. It is an opportunity to raise the subject. It is being raised by our constituents and it is being raised by the Canadian Medical Association and the bar associations. They say that we need a clarification and that our courts want to know. Our medical profession wants to know.

They want some clear direction from the Government of Canada and a clarification of the Criminal Code of Canada. This bill attempts to do that. It attempts to allow individuals to die with a sense of dignity and purpose, sustaining a quality of life that is acceptable and understandable to that dignity.

Advances in medical technology have allowed terminally ill patients to live well beyond and longer than is naturally possible. I want to continue that. I am for the extension of the maximum quality of life to the very end, and I will want that for my life and for the life of everyone I know.

The ability to live longer can also result in a diminished quality of life for those who suffer from degenerative and incurable diseases in particular. As a society and a government, we can no longer avoid this issue.

Canada is becoming an aging society. We are seeing a growth in incurable diseases like cancer, Alzheimers, AIDS, and there is a rising demand in our society for self–determination over the length of one's medical treatment. Yet there exists virtually no governmental regulations or judicial guidance concerning the right of the terminally ill patient to refuse or withdraw treatment.

We need to clarify this in the code and then make way for the living will process that has been passed now in Ontario and is being considered in other jurisdictions.

I take this fundamental position. As a Parliament we must take the opportunity to pass legislation which provides terminally ill patients with the power to determine when they no longer wish to be subject to medical treatment. It sounds so much like common sense that I cannot imagine that there would be inhibitions to that in the law.

Moreover, such legislation should provide the medical profession with the right to do so by the patient or that patient's designated care giver. Terminally ill patients must have the right to determine their own length of treatment. Physicians must not be held liable for following their own patients' wishes.

The Canadian Medical Association Ethics Committee addressed this in its convention this summer and basically it has come up saying the same kind of thing, establishing that this as an ethical practice but one that is probably slightly ahead of the law.

At this point I would like to outline the state of legislation in Canada on this issue and what I feel can be done to make improvements.

A strict reading of the Criminal Code would indicate that withholding treatment from the terminally ill might constitute a criminal offence. The Criminal Code has a number of sections which either indicate or seem to indicate that doctors must provide their patients with full treatment regardless of circumstances.

Section 14 of the code reads: "No person is entitled to consent to have death inflicted on him", while sections 45 and 215 further impede the right of patients to refuse treatment or doctors to follow their patients' wishes.

• (1800)

According to Law Reform Commission of Canada working paper 28, cessation of treatment may be an illegal act under a number of provisions of the Criminal Code, ranging from homicide to failure to provide the necessities of life, or even aiding suicide.

It may come as a surprise to many Canadians that there are no laws in Canada which permit physicians to stop administering medical treatment under any circumstances, even at the patient's request. There are no laws allowing doctors to halt treatment if it is no longer serving any useful purpose or is clearly no longer in the best interests of the patient.

The effects of lack of clear laws on the medical profession and its patients is of great concern to many of those who have moved into the powerless state of terminal illness. My outreach to various medical and patient groups has led me to the conclusion that the requested withdrawal of medical treatment for terminally ill patients merely reflects what is common practice in many hospitals and palliative care units across Canada.

My legislation that I am presenting today in many cases would have the effect of legitimizing common practice. In Canada to date there is no record of conviction of a doctor for shortening a patient's life by refusing to provide treatment, which is not to say there would or could not still be convictions or charges. However, the result of potential sources of criminal liability has provided great instability in the medical profession on this issue and has inevitably caused some

doctors not to carry out their patient's wishes to halt medical treatment because of their fear of the law.

Currently some doctors will make it their practice to sign a "do not resuscitate" order to end medical treatment at a patient's request, and still others have to be coerced into doing so. Others will simply refuse to stop treatment for fear of legal consequences.

This legal void may already have encouraged discrepancies in the quality of medical practices and services throughout the country. It may have led to life and death issues and decisions based on ethical position of a particular doctor rather than as guided through legislation.

Under the current law, many people who decide to withdraw from medical treatment are forced to die alone because loved ones fear being charged under the Criminal Code for aiding and abetting suicide, or even manslaughter if they simply remain with the patient. It may be more than the patient, it might be a mother, father, brother or sister. If they stay with them, they are afraid of prosecution.

It is truly unjust, unfair and harshly cruel to deny a terminally ill patient the comfort of their loved ones in their final moments.

What this legislation does is provide for the right of terminally ill patients to refuse further medical treatment and the right of physicians to follow their patients' wishes in these circumstances.

As concern for the right to die with dignity has become widespread, and as a greater portion of our population reaches old age, more Canadians are looking to formulate documents such as living wills or advanced health care directives to make it clear at what point of terminal illness they would no longer wish to receive medical treatment.

I think it is time that we act, that we act now. This is not my specific concern now, but it is the concern of all of us. It is the responsibility of all of us to remove as far as the law can the pain, the suffering of a person who must pass through this time, to remove some of the fear, some of the uncertainty, and to assure that quiet, peaceful death that is, of course, the object and hope for all of us.

I recommend this bill to you, Mr. Speaker, and I look for support from all parties in the House of Commons to assure that it is carried forward.

Mr. Rey Pagtakhan (Winnipeg North): Mr. Speaker, I would like to congratulate the member for Fraser Valley West for asking me to speak on Private Members' Bill C–203, an act to amend the Criminal Code (terminally ill persons). Although I rise as the Liberal critic for National Health and Welfare, there is another plain on which I also studied this particular bill. It is a bill that could affect personally and profoundly physicians and members of the health care teams.

As a physician by professional background, I have stood at the bedside of patients and upon request written a "no resuscitation" order on the chart. Writing those two words runs against my first prerogative as a doctor, knowing that first and foremost it is my duty to sustain life. But life of what quality, I ask?

Is life in a coma, fed intravenously and given breath through a respirator, with brain activity almost non–existent, the kind of life I, myself, would choose before death? What of a life where the body constantly contorts in pain, racked by spasms and unrelenting agony? I would refuse to live like that unless I was sure at the end I could be healthy once again.

To be healthy again is not a possibility for terminally ill people at the final stage of their diseases. It could be Parkinson's, AIDS, cancer, cystic fibrosis, or any number of horrific illnesses that brings patients to the end of their lives. It is at this time that the manner of our deaths comes to the forefront, and I think it is being addressed by this bill.

I believe in the patient's right to die with dignity. But there are a myriad of aspects to the right to die question. These aspects need more redress than this bill may allow. Issues like suicide, death for economic reasons, pressure by family members, the feeling of burdensomeness and that the dying are a strain on the health care system, all must be resisted. I believe the possibility exists that people could be pressured into selecting a quick death and use the medical system to terminate

their lives, and that must be resisted too. No one should feel pressured to die for convenience.

The present bill hopes to add section 217.1 to the Criminal Code. This new paragraph states:

> Nothing in sections 14, 45, 216 and 217 of the Criminal Code shall be interpreted as (a) requiring qualified medical practitioners to commence or continue to administer surgical or medical treatment to a person who clearly requests that such treatment not be commenced or continued.

This paragraph alone could lead to complacency, I must point out, in patient care. An elderly woman may be languishing in her hospital bed, with a "no resuscitation" order on her chart, when she is struck by cardiac arrest. The nursing staff stand by, obeying the order, but making the woman as comfortable as possible, knowing this moment was imminent.

They call a doctor but not the crash emergency cart. The heart monitor begins to flatline and she is gone. Quickly dispatched, as were her wishes. Then an autopsy report reveals the woman's cardiac arrest was caused by a clogged respiration pipe, or a piece of food lodged in her throat. Is this the way she wanted to die? Does it make a difference? To medical ethicists, to caring staff, patients and family, the difference in manner of death would be viewed as wrong.

How would the Criminal Code deal with incidents like these? Could the hospital be charged with negligence and malpractice? Should it be? It is a situation like this I greatly fear. Every "no resuscitation" order I write on a chart is followed by lengthy details, qualifying this order after consultation with patient, nursing staff, other doctors and the patient's family. Life is precious when there is little left to live.

• (1810)

[*Translation*]

The Acting Speaker (Mr. DeBlois): I am sorry to interrupt the hon. member who has the floor but I must request the collaboration of all hon. members because the Chair and the people watching us can hardly hear. Thank you for your collaboration.

[*English*]

Mr. Pagtakhan: Thank you, Mr. Speaker. I repeat: life is precious when there is little left to live. To be taken prematurely, to be taken at all, is tragic.

I would like to think that this type of bill would never need to be introduced, but this is not an ideal world. Technology has advanced at a dizzying pace. We have machines that breathe, feed, clean the blood, start the heart and pump blood. But, ironically, over a dozen people in the past five years have died in hospitals because they were secured with restraining straps and left unattended. No, this is not an ideal world. All the technology in the world are only as good as the caring staff that administers it.

Faith in the medical system is key. Patients and doctors must consult, communicate and understand the wishes of each other. There should be no case where a person is made to suffer because of heroic treatments which may, in the end, serve no purpose. There would not be a case where a patient gives up when there is hope, and sometimes there is still hope when people choose to die. This is a fear of doctors and nurses who have been trained to save, comfort and ease pain. They also cannot complacently accept death. But they know they have to allow death to happen, but must insist not to will death to happen.

Maybe it would be easier not to care as much, to hasten death, to dispense pain killers and watch the light gradually fade from a patient's eyes instead of desperately trying to save.

To the best of my knowledge, doctors do not, as noted in paragraph 217.1(b) "commence or continue to administer surgical or medical treatment to a person where such treatment is medically useless and not in the best interests of the person".

To do so, against an advance directive of the patient, would be an assault. It is a statement like that which throws suspicion on the medical community, and to suggest a medical team would treat someone in that manner is misleading and unfair.

Already there are guidelines instructing doctors how to proceed in such cases. The Canadian Medical Association believes "the right to accept or reject any treatment or procedure ultimately resides with the patient or a duly empowered proxy. The Association also believes that this includes the right to accept or refuse resuscitative as well as life saving and/or life sustaining measures in general, would they become medically indicated."

Mr. Speaker, doctors are there to help the ill. Palliative care is meant to make the dying as comfortable as possible. The health care system, under-funded as it may be, is still filled with people who place the patient first. So, the patient must also give consideration to the doctor. My fear is that the relationship between patient and doctor may dissolve into one based on legalities. The

patients may no longer trust a physician to act in his or her interests, and legally instruct the physicians with living wills. I think in all cases this type of legal document is unnecessary, that instead the doctors, nurses and patients can use the advance directive to determine the course of care for a patient.

Matters involving life and death cannot be made in the office of the lawyer entirely. They must be made in consultation with a doctor, and they must be updated as technology and the prognosis for diseases changes.

Another concern I now have is for the education of doctors in matters of death and dying. There are many faces of these two. It takes many years of experience to recognize them. Medical students must begin with a solid background in the care for the terminally ill and incapacitating diseases. A doctor fresh out of medical school may not have the knowledge to question the request of a patient or recognize the shades of dying, whether it be heart attack or trauma related to choking. Consultation with more experienced doctors should be necessary in this case.

In fact, consultation is always a necessity. The wishes of the patient in regard to death with dignity must be clarified with all staff who attend to that patient. There is a fine line between allowing terminally ill patients to die with dignity at their request and aiding in that death.

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, it is an honour to rise in support of the bill which has been proposed before the House this afternoon by the member for Fraser Valley West. In rising to support the principle of this legislation, because that is, after all, what we are doing at this stage of debate at second reading in the House, I want to pay tribute to the member for bringing before this House an issue which is both sensitive and important, important to millions and millions of Canadians who had to confront the issues which are addressed in this legislation.

I want to note as well that my colleague and spokesperson for health for the federal New Democrats, the member for Saskatoon—Clark's Crossing, had very much hoped to be here to participate in this debate, but unfortunately he is not able to be here. As the member for Fraser Valley West knows, he has himself tabled a private member's bill. It differs somewhat from the bill which has been proposed by the member for Fraser Valley West, but certainly in principle it is very much in the same spirit.

I would hope that this House will in fact allow both the bill of the member for Fraser Valley West and the bill of the member for Saskatoon—Clark's Crossing to be referred to a committee of this House so that for the first time we as elected representatives will have an opportunity to hear from Canadians about this very important issue. Indeed it is long overdue.

I do not think we need much evidence of the interest and the depth of concern of Canadians about this issue when we look, for example, at the book by Derek Humphrey *Final Exit* has been on the top of the best seller list for some time. Obviously Canadians are deeply concerned about the issues that arise.

I rise to urge this House to act on this legislation in a non-partisan way, to send it to committee, to give Canadians an opportunity to be heard on this important question.

I want to note that at the present time in Canada, as the member for Fraser Valley West has pointed out, the Criminal Code of Canada was adopted in 1892 and has not changed in any significant respect on this important issue. It specifically prohibits any person from aiding the suicide of another, even giving advice about methods of suicide, which can result in up to 14 years of imprisonment. In fact, by the current definition in the Criminal Code, euthanasia is indistinguishable from murder since anyone who clearly intends to take the life of another and does so is guilty of culpable homicide.

These laws have been studied over the years by a number of different bodies. I know the Canadian Medical Association has studied them, the Law Reform Commission, the Canadian Bar Association, and I think it would be very helpful for this House to give an opportunity to representatives of these organizations to appear before the House and give their thoughts on this bill and its principle.

The fundamental principle here is that we must give people the right to make this decision for themselves, this most basic literally life or death decision. This does not in any way diminish our respect for life. Indeed, it is a symbol of our respect for the quality of life and a recognition that people should also be allowed to die with dignity.

I want to pay tribute to those groups in this country who have for many years struggled with this question and who have put this question on the agenda in our country, groups such as Dying with Dignity, the Right to Die Society of Canada, a newly founded group in Victoria which, reading from its leaflet, "affirms the right of any mature individual who is chronically or terminally ill to choose the time, place and means of his or her death. We categorically reject the notion that human beings are to be subjected to the risk of a protracted period of misery and humiliation due to modern medical technology and/or government cutbacks and health and welfare funding".

I would know that this does not in any way preclude our support for those individuals, dedicated hard working individuals in our country, who are working to allow people through palliative care to die with dignity. Indeed we support those groups. I think of groups such as Casey House in Toronto and others that are working incredibly hard and with incredible dedication to ensure that those final days in fact are days of dignity. For those who choose that, we must respect that choice.

• (1820)

There are others who do not have that choice. I think, for example, of my former friend, my late friend Mitch Jacobson who died after a slow, agonizing and painful death. He died of AIDS. He died in Elisabeth-Bruyere Health Centre in Ottawa. I will never forget my friend—blind, he had no senses left, no taste, no feel, he was almost deaf—crying out saying: "For God's sake, stop this pain, stop this suffering",

Surely to God, we must allow a man or a woman to avoid that kind of death, to allow themselves to make the decision for themselves, to end that terrible agonizing pain. As Mitch said: "Let me go". I could not let him go. His doctor could not let him go because under the present law that would be considered a criminal offence.

What is the crime in our society? Surely the far greater crime is not allowing men and women in situations such as that to make the decision for themselves.

There were some who were critical of another friend of mine, David Lewis, who also tragically died of AIDS. I am a member, as a gay man, of a community which has been devastated by this epidemic. If I speak with some emotion, it is because I have seen the lives of too many of my friends destroyed by this epidemic for which governments have not done nearly enough.

If at the end David Lewis chose to go with dignity, as he did, surrounded by his friends at a time of his choosing, who are we to say that he was wrong, that he was a criminal, that those who supported him were in some way criminals?

I want to appeal to this House to recognize that this is an issue that Canadians are deeply concerned about. Indeed in August of last year a Gallup poll found that some 78 per cent of Canadians believe that a doctor should be allowed by law to end the life of a patient who has an incurable disease that causes great suffering, if the patient has made a formal request in writing.

I believe that fundamentally. I would go further and support the system in Holland which allows for active euthanasia. I think that we will want to hear evidence before the committee on this issue as well, on the extent to which we should be prepared to move as a society to recognize the rights of people to die with dignity.

A recent study from Holland showed that 11.2 per cent of the patients in the final stages of AIDS died by euthanasia. Recently it has been estimated the figure is as high as 25 per cent.

I want to conclude by once again congratulating the hon. member for Fraser Valley West and my own colleague for Saskatoon—Clark's Crossing for the vision and the leadership that they have shown in putting this important question on the parliamentary agenda. I want to appeal to all of my colleagues to recognize the cries of those in our country who say that enough is enough, that we must heed those cries, we must allow people to die with dignity, and surely we must allow this Parliament to give those people a voice to be heard.

Mr. Stan Wilbee (Delta): Mr. Speaker, it is indeed a privilege, as the other members have mentioned, to be able to speak on this very important topic today. I am speaking in support of the bill. I believe that it does assist the medical profession in clearing many of the grey areas that have been enumerated today.

Just what is the legal position of a physician in an area where he perhaps removes treatment which could keep the patient alive, or perhaps provides treatment which in order to alleviate pain or suffering may have the side effect of hastening that person's death?

As the hon. member from Fraser Valley West mentioned in his speech, North Americans want to deny that. They do not want to face it, yet we have seen many, many patients in the past who have welcomed the idea of being permitted to leave their pain, suffering and sickness.

In the past, we have seen many physicians who have been criticized. I do not know of anyone who has been actually sued, but they have been taking a lot of criticism because they did not make heroic efforts in order to keep somebody alive who in the physician's opinion had a quality of life not worth the torment that the patient would have to go through.

Very often in the medical profession you are told to do something, it does not matter if it is good or not, you just have to do something. I think that this law permits a physician to do what he thinks is the best thing. Perhaps that is to do nothing but to make sure that that patient is relieved of the suffering.

We are talking in this law today about passive euthanasia. The previous speaker talked about a more active type where death is brought on by a physician. In this particular bill today, we are discussing passive euthanasia. When we use that word, it brings of course a great emotional outburst from many of us.

We have heard today that technology prolongs life, but we do reach that period when as we have mentioned life is intolerable. Perhaps it is nausea, pain or various types of distress and the patient no longer has any will to live. The physician is then faced with the ability to withhold drugs which would prolong the life.

I think here of something like antibiotics in the case of an Alzheimers victim with pneumonia. We can prolong that life. The patient may not know what we have done, but we feel that is unwise, at the same time, perhaps by giving a drug to relieve the pain of a sufferer.

This is mentioned in the second part of this bill, that is, by providing sometimes large amounts of a sedative or morphine that we have the effect of hastening that death.

I thought it would be worth while just to comment for the rest of my time on the stand the Canadian Medical Association has taken. In 1984 as a result of a joint meeting between the Canadian Nursing Association, the Canadian Hospital Association and the Canadian Medical Association, they came forward with a list of directives.

It is called *The Resuscitation of the Terminally Ill* and was published in the *Canadian Medical Association Journal*, Volume 136 on February 15, 1987. This has been updated as recently as this last summer at its convention in Toronto.

Because of the shortness of time, I do not have time to read all of it, but I would like to introduce some of the highlights of the report that was produced. It says: "The Canadian Medical Association believes that the right to accept or reject any treatment or procedure ultimately resides with the patient or a duly empowered proxy. The Association also believes that this includes the right to accept or refuse resuscitative as well as life saving and/or sustaining measures in general should they become medically indicated.

Furthermore, the Association believes that under certain circumstances it may be appropriate that a patient indicate the position to other relevant persons by means of an advanced directive whether the patient wants resuscitative measures taken should the occasion for the use arise."

What we are referring to is better known as the living will.

The Medical Association goes on. "The Association is firmly convinced that the decision to accept or reject any medical treatment or procedure should be only made after an appropriate consultative process with a duly qualified health care professional."

• (1830)

In other words, it is essential that the facts be fully discussed with the patient, with the family, and the pros and cons discussed so that the patient understands fully just what he or she is signing.

The medical association also recommends that during the course of the person's illness that these orders be reviewed periodically. In other words, circumstances change, the patient's condition changes, so this should not be taken as a permanent form but should be reviewed periodically.

In another section it says: "If an advance directive is so general as to apply to all possible circumstances that could arise, it is usually so vague as to give no usable direction to the physician." In either case, physicians will have to rely on their professional judgment to reach a decision. This permits a physician in certain circumstances, perhaps something happens such as the member from Winnipeg mentioned, somebody choking on a piece of meat, where they also have a cancer which everybody felt was going to take their life. In this circumstance, the physician would be permitted to overrule the patient's request. It says: " The association therefore suggests that physicians who are involved in the consultative process surrounding such a decision make sure that patients understand the limits that are inherent in such advance decision making."

It goes on further: "Finally, the association suggests that physicians who are involved in the consultative process surrounding advance directives encourage their patients to identify a specific person who will have the legal power to act as a proxy decision maker for the patient should the need for clarification of an advance directive arise."

The association also encourages physicians to inform their patients that in an emergency situation it is not always possible to get in touch with this duly appointed proxy to seek clarification about the advance directive should that prove necessary. Patients should therefore be encouraged to make these directives as clear as possible.

We can see that this is just a small part of the work that the Canadian Medical Association has outlined. I think it would be worth while to review at this time their guidelines for the decision making that the patient has to make.

The first one is, Mr. Speaker, that a patient has the right to accept or reject any treatment or procedure proposed by a physician. This includes CPR, or any other life saving and/or sustaining measure. In other words, the patient is in control. The proposer of the bill mentioned that the patient at the end of life frequently has no control over what happens to them. What this is doing is making sure that the patient is in control at a time when it is most important.

When a competent patient informs an attending physician that such measures should not be undertaken, the physician shall make sure that the patient understands the nature and consequences of this decision. This is not something to be made on an emotional basis, but a result of calm deliberation, and it is up to the physician to make sure that happens.

If, as a result of this communicative process the patient reaffirms this decision, the physician shall record this decision on the patient's health record.

When a patient is incompetent, an appropriate proxy decision maker informs the attending physician of the decision not to engage in resuscitative or life saving and/or sustaining measure. A physician shall engage in the same consultative and communicative process with the proxy as though it were with the patient himself or herself. If as a result of this, a proxy still insists on a request not to apply resuscitative and/or sustaining measures, the physician shall record this decision on the patient's health record.

Mr. Speaker, when this comes to the committee, as I hope it will, there are other guidelines that have been produced by these bodies to assist in the regulations that would naturally follow.

In summary, we feel that the welfare of the patient is the primary object. It is his or her care and comfort that we are looking for, and I believe the quality of life which this bill is protecting is all important.

Mrs. Barbara Sparrow (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, at this point in time I want to say that I listened very carefully to the member for Fraser Valley West. He certainly raised a lot of important issues. There are some negatives to proposed Bill C–203, which is intended to provide protection for physicians in a number of treatment situations where the patient is terminally ill and where it is said that the legal position is not clear enough to permit the physician to treat or even refrain from treating without the fear of becoming involved in a possible criminal offence.

Similar principles were recommended by the Law Reform Commission of Canada. In the same report the commission recommended against decriminalizing voluntary active euthanasia and was in favour of continuing to treat it as a culpable homicide. The commission also recommended that the offence of counselling, aiding,

abetting suicide should not be removed from the Criminal Code or even, indeed, be revised.

Therefore, it has become apparent that it was unnecessary to legislate the principles recommended in the commission's report, because there are already recognized and generally accepted in the case of terminally ill people.

We do have problems within the Criminal Code. It is a criminal offence with regard to euthanasia. Over a number of years now, and I will not go into how long ago, I was involved in a nursing career and did spend quite a bit of time in certain situations that I found extremely difficult where people certainly did suffer a great deal.

It is hard for the family, it is hard for medical people and nurses to see their patients, their loved ones suffering and yet, there are complications with regard to providing legislation that allows physicians the right to practice euthanasia.

I also listened to my colleague from Delta who spoke on the Canadian Medical Association's position with regard to answering some of the issues raised in Bill C–203. I spent a great deal of time listening and he has raised major issues that I think a legislative committee could look into more thoroughly and come up with suggestions.

What I am also saying is, let us get ahead of the issue. I cannot tell you if it will be three, five or ten years before this particular issue is debated. In certain provincial jurisdictions there have been some recommendations. Legally, within our legislation, within the Criminal Code, we have nothing to protect physicians from making a decision with regard to euthanasia. Therefore, it is difficult.

Today physicians are in danger of being charged. We recognize this. There are competency questions of whether the people in making living wills are competent or are not competent for signing agreements and substitute consents. I realize that a lot of these issues have to be looked at more carefully.

There is civil liability in the area of medical practices and a lot of issues within the Charter of Rights and Freedoms that we have to be aware of that could prove to be contrary to the bill my colleague has put forward.

I know that today, in the Criminal Code, we cannot accept this. I think we have to take a good look at it. As I said, in my years as a medical professional and also having relatives in senior citizens homes, it is very, very difficult to face death. I do not think any of us here want to see anybody suffer. There can be criteria worked out that I feel can be accepted, not only by the medical fraternity, but the community in general, all assisting health care institutions and the religious areas.

• (1840)

Getting in touch with the church I think is most important.

I just want to say that the negatives are so great that I would like to compliment the member for Fraser Valley and would look forward to seeing this bill discussed in committee.

Mr. Pagtakhan: Mr. Speaker, perhaps I can just get unanimous consent to conclude with a one–minute remark on the bill.

The Acting Speaker (Mr. DeBlois): Members have heard the suggestion. Does the House give its unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mr. DeBlois): The hon. member has one minute.

Mr. Pagtakhan: Mr. Speaker, I would just like to say that I support the principle of the bill because it is providing an opportunity for Canadians to examine the issue, which is very vital, and by bringing it to the consciousness of Canadians we can address a very vital issue.

I would just like to end by saying that when we examine this bill let us remember the work of the Manitoba Law Reform Commission issued this year, as well as the paramount principle of medical ethics.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I came into the House only moments ago after a committee meeting, not even knowing that this debate was taking place today. But I do not want to let the opportunity go by without expressing at least some concerns that I have.

I wish that the bill would go to committee because I am not against us examining the issue, but I as a person who believes very strongly in the sanctity of life am very concerned with anything that could be done whereby we would start—and I will dare use the words—to play God in any way.

I am concerned with what we see in some European jurisdictions. I am thinking in particular of Holland, a great country but one in which too many decisions, I believe, are taken by members of the medical profession to end human life. That whole subject disturbs me immensely.

We have had debate in the past on other related issues. I am thinking of the debate we had on capital punishment. I said where I stood on that one and that was against capital punishment for the protection of human life. We have had a debate on abortion and again I stood in the same position.

Today I express my concerns with this bill, but I am not one who will block it from going to committee because I do think we have to talk of the issue because it is a very profound one. I nevertheless want to indicate to the House how deeply I feel about the issue. I am sure that other members feel just as strongly as I do, but that should not prevent us from discussing an issue so important as this one.

[*Translation*]

Some might say, Mr. Speaker, that the issue is much more complex because, with the advance of medicine, who can tell at what stage of life a person dies from natural causes versus being artificially prolonged? Besides, what do we mean by "natural"? In the absence of this information, it becomes very difficult to determine what is not. That is why, notwithstanding my deepest convictions, I would like this matter to be referred to a parliamentary committee. I hope that the government will see to it that it will be considered, that the full process is applied so that witnesses can be heard.

Mr. Speaker, I also wish that the witnesses who will testify before the committee not to be biased one way or the other, no more my way than the other way. I want a real debate to take place, where all views on the issue can be expressed, because I believe that everyone must be heard, not only those who support a legislation such as this one. We should also hear from those who are against.

Again, Mr. Speaker, I saw what happened in a previous debate, the abortion debate, and I am not convinced that the whole process was carried out impartially. I detected some degree of bias in that debate and I want none in this one. I would want us to be impartial and all witnesses to be heard.

[*English*]

I do not want to speak any longer because I do not want to prolong this debate. I wish the issue to go to committee.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Motion agreed to, bill read the second time and referred to Legislative Committee H.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

PS 2000

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, in June I rose in the House and asked the President of Treasury Board if the minister would tell us just what the government's commitment was to pay equity for federal government employees.

The minister responded:

> I would like to reassure the hon. member that pay equity stays there, I mean will be implemented.

In 1984 the Public Service Alliance of Canada filed a complaint with Canada's Human Rights Commission on behalf of 50,000 members of the clerical and regulatory CR group.

It was only after that action that the Treasury Board invited all federal public service unions to participate in a joint equal pay study. The equal pay adjustment which the Treasury Board announced for the CR and ST groups in January 1990 were only one-quarter to one-third of what they were entitled to and owed.

The adjustments announced for the EU group in April, 1990, were about a half of what it was owed. No adjustments at all were provided to the other underpaid groups.

What that really means is that a lot of women who work for this government were cheated out of money they were owed by this government.

As a result, over 15,000 Public Service Alliance members filed grievances requesting implementation of the study results. In the meantime the employer is trying to block the tribunal's investigation of the complaint.

Recently several conciliation board tables that reported back to the President of Treasury Board in recent negotiations prior to last week's strike reported that the current pay equalization payments should be factored into bargaining and that it is important and it is justified for this government to be implementing pay equity during this round of bargaining.

Since 1990 the federal government has twice attempted to block in the federal courts the Canadian Human Rights Commission from investigating the pay equity situation. Chief Commissioner Max Yalden said last week during the dispute with the Public Service Alliance that the federal government is not playing fair with the then striking public service employees.

He found it very strange that the government is still trying to kill a human rights tribunal set up to resolve the pay equity issue while at the same time telling striking employees that the issue should be dealt with by the tribunal, not at the bargaining table. The tribunal hearings began this month.

• (1850)

If the President of Treasury Board were being straight with us in the House that day, if he were serious when he said that pay equity would be implemented, why after these last three months is the Treasury Board still trying to block pay equity?

The question also needs to be addressed of why we as parliamentarians accept that women who are working for the public sector should receive a quarter, a half or a third of what they are owed.

I think it is very important for us to recognize that the Prime Minister in the 1988 election campaign was committed to pay equity. I think it is also important for the Treasury Board to be aware that women in the Public Service Alliance were very clear going back to work this week that they will not accept less than the pay equity they are entitled to.

Mr. Bill Kempling (Parliamentary Secretary to President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I have very limited time to respond to this question, so I will cover it as fast as I can.

In 1984, during the election, we committed ourselves to pay equity in the Public Service. In March 1985 the President of the Treasury Board put in place a joint union–management committee to investigate and recommend how we could implement equal pay for work of equal value. It concluded that there were approximately 73,400 government employees involved.

On June 27, 1986 the Employment Equity Act received Royal Assent after debate in this House and in committee.

The remedial action that the government decided to take fell into two phases. In phase one the government allocated $317 million for retroactive payment, an average of $4,800 for each employee involved. Phase two allocates $76 million in salary adjustments from April 1, 1990.

Pay equity affects women, aboriginal people, visible minorities and disabled people. The Canadian Human Rights Tribunal has been mandated to examine complaints filed in relation to the equalization adjustments. The government remains committed to pay equity which is not affected by the present negotiation, the zero, three and three that is going on with the Treasury Board and PSAC at the present time.

Let me say this again. The government is committed to pay equity and will continue to be committed in the future. Finally, pay equity is not on the negotiating table in the current discussions between PSAC and the Treasury Board.

[*Translation*]

MONTREAL'S ECONOMY

Mr. Alfonso Gagliano (Saint–Léonard): Mr. Speaker, I want to raise again a question I asked on September 16, at the very beginning of this new session, about the deplorable economic situation in the Montreal area. I raised that issue earlier, in February and also in June, when we held in this House an important debate on Montreal's economy, which my colleague from Saint–Denis organized and participated in.

On this side of the House, Liberal members from the Province of Quebec, from the Montreal area, are very concerned about what is happening in Montreal, Mr. Speaker.

It is easy for the government to rise every day and say the recession is over. Yet, each and every day, thousands of workers are losing their jobs.

That is a very telling example, especially since the Minister of Finance is saying the recession is over. I am not the one making this allegation, it appeared in the September 11 issue of *La Presse*, where it read: Housing Starts Dropped by 40 per cent in the Montreal Area. We all know the construction business, especially residential construction, is the motor of our economy, because it immediately provides jobs to workers. How can you say the recession is over when 40 per cent of all housing starts, and I am not talking here about sales, because this government tells us housing sales are up. Of course, we are selling old houses, there is speculation, and so on. But a 40 per cent drop in housing starts in August only is terrible and is not helping Montreal at all.

Here is another article published on September 18: "The East of Montreal is agonizing—10,000 more unemployed than in 1986". However, the government is still boasting that it's all the fault of the Liberals, that it is all the making of the bad Liberals. Look at the numbers: 10,000 more unemployed than in 1986. And we have a Conservative government since 1984. Texaco, 380 jobs lost; BP, 226; Esso, 500; Gulf, 450; Biscuits David, 437.

Here, I am hearing voices, Mr. Speaker, this is the voice of the hon. member for Mercier who was supposed to protect the only refinery left in the East of Montreal, if I remember correctly, in 1985–86. Maybe she should read what she said at the time, instead of shouting in the wilderness. Steinberg, 591; Daoust–Lalonde, 211; Vickers, 380; Kemtek, 250; and the last one, Mr. Speaker, Angus, 900 jobs. This was last week.

You seem to be telling me that my time is nearly up, so I will just read a few more articles: "Job stagnation in Montreal until to 1995". Yes 1995, Mr. Speaker, and we are in 1991. So, where is the economic recovery for Montreal?

Here is another one, dated September 10 in the *Journal de Montréal* "Nobody cares about Montreal", Mr. Speaker. And finally, last week, and I will conclude on that, some people in Quebec met to find a solution. Quebec leaders, under the chairmanship of the *Conseil du patronat du Québec*, found 48 projects and the only thing they asked the government for, Mr. Speaker, and I will end on that, was to have the dollar at 80 cents, but the government keeps saying that we should let the dollar rise every day.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State of Canada and Minister of Multiculturalism and Citizenship): Mr. Speaker, I also would like to answer my friend and colleague on the economic revival of Montreal and I would like to draw the attention of the member for Saint–Léonard on an event that I attended yesterday in Montreal. He forgot to mention the newspaper clippings that said:"Merck Frosst opens a new research centre in Kirkland".

The president of this multinational thanked this government, this minister, who is even from Alberta, for having worked on bill C–22, but not you who, again, jammed this bill with your Liberal senators with the exception, I must admit, of the member from Saint–Denis who was with us.

I was present at this inaugural, Mr. Speaker, and I have never seen anything like that: 4 500 people from research and technology under a tent.

I must admit that it was a large tent. It was a big event.

Mr. Speaker, the prime minister is the minister responsible for Montreal and the research centre and I can tell you also that there were not many Liberals, not even one of them, because it was Bill C–22 and the Speaker remembers it.

So, the President congratulated us, Mr. Speaker, and I can tell you that the largest research center in Canada will now be in Quebec, in the Montreal area. It will not be difficult to find. It will create 300 new quality jobs in Montreal, Mr. Speaker.

Mr. Speaker, I would like to stress the fact that yesterday's ceremony was the concrete result of Bill C–22. We, on this side, strived to make of this bill an extraordinary piece of legislation, whereas the Liberals did everything they could to prevent it from passing, to make Montreal suffer. They were the ones who made the most ridiculous arguments. Mr. Speaker, they went as far as predicting the worst catastrophes for the Canadian pharmaceutical industry and for consumers.

Well, the president of Merck Frosst himself emphasized that the new centre was a direct result of the adoption of this bill which encourages businesses to invest in Canada. All that was confirmed by the Quebec minister, Gérald Tremblay, Mr. Speaker. It is unfortunate, because I would have also liked—

The Acting Speaker (Mr. DeBlois): There is this old latin saying *Dura lex, sed lex* meaning "the law is strict, but it's the law." So, according to the rules, I must now recognize the hon. member for Edmonton—East.

• (1900)

[*English*]

PETRO-CANADA

Mr. Ross Harvey (Edmonton East): Mr. Speaker, and through you to all Canadians, the Mulroney Conservatives have now sold 20 per cent of our national energy company as the Petro-Canada interim report for the six months ending June 30, 1991, put it and I quote: "The sale of shares ends Petro-Canada's status as a Crown corporation". Petro-Canada, serving as a 100 per cent Canadian totally publicly-owned energy company is gone, not for a little while. It is gone forever.

What have we lost? We have lost a vital public policy tool. No future national government will be able to use Petro-Canada to help keep foreign oil companies honest by being the one company, our company, we can reasonably expect would not gouge us at the gas pumps. Petro-Canada can never be used to help keep energy profits in Canada for reinvestment here. Petro-Canada can never be used to help lead us toward a greener energy future by actively promoting conservation and alternative energy sources, and by taking even such modest steps as collecting, recycling and selling used engine oil or marketing ethanol produced from grain, an environmental choice product, nation-wide.

Canadians are also losing a potful of money, billions of dollars. My very rough estimate is that Canadians will lose at least $4 billion on this sale.

I tried to make changes to the Tory privatization bill to guarantee that the sale would at least recover for Canadian taxpayers the $6.8 billion they have invested in Petro-Canada over the years. That is right, $6.8 billion in 1990 dollars.

Unfortunately, the Conservatives and Liberal members of the committee studying the bill defeated my fiscally responsible amendment, but that is not all. The minister himself admitted that a lot of money that it raised from the sale, including the approximately $520 million from the sale of the first 20 per cent of the shares, will never be returned to the taxpayers. It will be ploughed right back into the company.

I am not joking. The buyers of Petro-Canada will have your cake and will be eating it too. If you sold your house and then gave the money back to the people who bought it, your kids would have you put away. Any psychiatrist in the land would back them up because it is lunacy.

There are two more layers of bitter frosting on this particular nut cake, Mr. Speaker. First, Canadian taxpayers will be shelling out millions of dollars to investment dealers to facilitate this legalized theft of public money. Second, the money that the company will get from the first sale, that $520 million, will make it financially possible for Petro-Canada to assist in the government scheme to ship Canadian oil from the Hibernia field straight past Canadian refineries, located in regions of double digit unemployment, to United States refineries. The lunacy never ends.

I will tell you this, Mr. Speaker. If after it is all finally gone and the last government share is sold, the people of Canada have recouped more than $2.5 billion in 1990 dollars, I will eat the *Hansard* of the entire Bill C-84 debate including the committee transcripts.

Let me conclude then by repeating the question I asked the minister on June 19, 1991. It is this: " What is the government's best estimate of how much money will be returned to the Canadian treasury once from the sale of Petro-Canada shares once those Petro-Canada shares are completely sold off, the government's best estimate, even a ballpark figure."

Mr. Peter L. McCreath (Parliamentary Secretary to Minister of State (Finance and Privatization)): Mr. Speaker, I am pleased to respond to the remarks of my hon. friend from Edmonton East.

As you know, Mr. Speaker, the Petro-Canada Public Participation Act which received Royal Assent on February 1, 1991, permits the government to sell of its shareholding in Petro-Canada and allows the company to issue and sell treasury shares. This gives Petro-Canada the financial flexibility it needs to fully participate in the development of Canada's significant reserves alongside its private sector counterparts.

Not only does this government hold the view that state ownership and state control are not necessary in the Canadian oil and gas industry, but we also believe that it is in the public interest for Petro-Canada to raise the new equity it needs directly from investors rather than continuing to rely on the Canadian taxpayer. In short, the privatization of Petro-Canada is a matter of simple common sense and sound economic management.

I am happy to report that Petro-Canada has completed the first crucial step in moving into private sector hands. On July 3, Petro-Canada's initial public offering of treasury shares closed, netting the company over $520 million. As promised, Petro-Canada has used these proceeds to pay off some of its debt, thereby improving the company's financial position. As evidence of the success of this offering, over 100,000 Canadians purchased shares, including many small investors. Petro-Canada's employees were also eager to participate directly in the company's future, as over 80 per cent bought shares through the employee share purchase plan.

While the government continues to hold a substantial majority of the outstanding common shares, it has promised not to interfere in the operations of the company.

The government is also committed to selling all of its shares in Petro-Canada, subject to market conditions and other relevant factors. As the minister explained to the hon. member for Edmonton East last June, it is premature to speculate on the amount the government can expect to receive from the sale of thee shares.

Given the size of Petro-Canada, it is conceivable that it will take a number of years for the government to significantly reduce its holdings in the company. The value that we receive for our shares when we go to market will depend on a number of factors, including the outlook for the oil and gas industry, Petro-Canada's financial and operational performance and the prospects for growth, competitive forces and the over all market condition.

The Acting Speaker (Mr. DeBlois): Order please. Your time is over.

I apologize. There are no questions of privilege on adjournment motions.

EXTERNAL AFFAIRS

Mrs. Christine Stewart (Northumberland): Mr. Speaker, last week, and previously in May and June of this year, I raised questions in this House on an issue of great concern to the Canadian public.

The issue I raised had to do with the quick entry of Mr. Al-Mashat and his family into this country as landed immigrants. Mr. Al-Mashat was the previous Iraqi ambassador to the United States.

There were really two issues at stake at the time this issue was before the House in the spring of this year. There was the issue of how it was possible for this gentleman and his family to gain such quick entry into this country ahead of a long list of very eligible people. That was one issue.

The second issue which arose was the way that our government ministers handled this particular issue. Instead of taking responsibility for the mistaken quick entry of this gentleman and his family into this country, our ministers in this House blamed their bureaucracy for the quick entry of Mr. Al-Mashat. They not only blamed their bureaucracy, but they named particular members of the bureaucracy who were to blame.

In absolving themselves of responsibility for the quick admission of the Al-Mashats into this country, the government very selectively quoted from the McGrath report, quoting verbiage from that report which would support their statement that they were not responsible, leaving out other items whereby it was clear that the ministers in this case were ultimately responsible for the quick entry of this family into Canada.

To quote from that report, specifically it said: "Where ministers do involve themselves directly in administration, it follows that they will be accountable for their specific decisions. Moreover, they will continue to be held accountable in Parliament by traditional means."

What happened was that our former Secretary of State for External Affairs himself put into place the procedures that were to be followed by his own bureaucracy. From the information our investigating parliamentary committee received, those procedures were followed to the point.

Despite the fact that officials of the department followed all the procedures that were outlined, the minister absolved himself of responsibility and blamed those same bureaucrats for the quick entry of the Al-Mashats into this country.

It is interesting, I am sure, to the Canadian public, what happens as a consequence of being blamed for misprocedure in this House. The Under-Secretary of State has received a position as Ambassador to Italy and his associate is Ambassador to Brussels.

There was an investigation looking into a lost secret memo which was a key as to whether or not in fact, the minister was informed of the desire of the Al-Mashats to come into this country. That secret memo was lost.

• (1910)

The present Secretary of State for External Affairs has promised to do an investigation to search for this secret memo. In answer to my question last week, she indicated that this memo has still not been found. I asked those officials who were carrying out the investigation of the department to find the secret memo and make their report to the minister public. Since the hearing into this whole affair was a public issue and there is a strong sense in the public that there was a cover up, I think it is important that the government make this report public as well.

Mr. Benno Friesen (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it is important to keep the record straight on this matter. The question put before the House tonight had to do with a question the member asked last week with regard to the missing memo.

I should point out that nine-tenths of the remarks she made tonight had nothing to do with the matter of the memo that was missing and was part of her question. It was a polemic about the case before.

The hon. member also neglected to point out that while she was upset with the quick entry of Al-Mashat, so was every other member of this House, including every government member and cabinet member. They were equally upset about that. She also neglected to mention that prior to Al-Mashat's entry, the two ministers in question had turned down the quick entry of another Iraqi diplomat which should have given clear signal that the ministers would not have, had they known, admitted Mr. Al-Mashat.

The member continues to talk about the secret memo. It may be that it was classified secret, but it was no secret. It was widely distributed to the members of the committee. The member has one. She has a copy of this and yet she continues to talk about the secret memo leading the Canadian public to believe that nobody in this House or anywhere else knows what the contents of that memo are. She knows very well what is in that memo and yet she continues to call it that.

There was an investigation conducted, as the minister promised, in the days of June 11 to 26 of 1991, just a few months ago. The security division of external affairs did conduct that investigation. It interrogated all the members of external affairs who could have had contact with that memo and did not find the memo. It discussed the matter with the RCMP, but since there was no criminality suggested in the action, the RCMP said that there should not be an investigation by that force and the matter up to this point, therefore, has been dropped.

FISHERIES

Mr. Fred J. Mifflin (Bonavista—Trinity—Conception): Mr. Speaker, I rise to discuss the fishing disaster and the disastrous year it has been in Newfoundland in the total fishing industry.

Since May 9 I have been pursuing this with my colleagues on this side of the House. Letter after letter to the Minister of Fisheries and Oceans and to the Minister of Employment and Immigration and response after response, here we are almost the end of September and we still have not addressed the problem.

Since this House opened there has been a question or a discussion every single day in this House, on two occasions by the Leader of the Opposition. I asked a question of the Minister of Fisheries and Oceans on September 17. I again raised the issue as a statement today. Yesterday, on September 23, and today, the member from Labrador raised the tremendous concern he had about the situation in Labrador, which is a total disaster. There have been no fish up there at all.

Mr. Speaker, you know what my question is going to be and I can tell you what the response is going to be from the hon. parliamentary secretary. The response from the Minister of Fisheries and Oceans is: "Yes, I am aware of what is going on, but we are not ready yet." The people in Newfoundland are ready and the people in my riding are ready.

Let me tell you how ready they are. I represent three Bays: Bonavista Bay, Trinity Bay and Conception Bay. Let me say something about Bonavista Bay. One area trapped, last year, 300,000 pounds, this year 14,000 pounds. That is a tremendous reduction in the same bay. Another area needs a response to assist 150 fishermen and 500 plant workers in Bonavista Bay. Let me talk about Trinity Bay.

In one area in Trinity Bay, as I stand and speak, there are 31 people who have not qualified for unemployment insurance. This is a report from the union.

I have another report here. This concerns Conception Bay, and this is from the CEC office which works directly with the Minister of Employment and Immigration. The number of employees in one area serviced by a CEC office, in a fish plant area, is 3,200.

The number of those who had any weeks at all as of the end of August is 1,600 and only 100 had a total of 10 weeks, that will qualify for unemployment insurance.

What is happening is that we are raising the concerns of our riding, and I am sure people are sympathetic to it but what I am getting is the response from the government. I am not paid to come up here and take back to my riding the response that the government has. I am paid to come up here and to give the position of the people from my riding, who are in dire situations.

I have three cases in which people cannot afford to send their kids to school because they have not got any money, and they have not got any clothes for the children and they do not have money to put food on the table.

I cannot impress upon this House the urgency of this situation. I know the hon. member for Labrador. He is a very moderate man, and he was angry today. He said: "If you do not give it to me now, don't bother." I am sure he did not really mean that but that is the sense of urgency that we are trying to get into this House and into this government.

The hon. Minister of Fisheries and Oceans, whom I believe and hope understands the situation, has to pressure his cabinet colleagues to come up with an aid package now. He said the fishing industry is not finished yet. It is not over.

It is finished for a lot of people and it is going to be finished for a lot of others, even as we stand and speak.

If you cannot come up with a total package, because he claims the fishing industry is not over, come up with a partial package. Aid those who need it now.

These are extraordinary times, and they cannot have a standard solution. They need to have an extraordinary solution. I am asking the minister and his parliamentary secretary to give me a good answer to that and to tell me there is an aid package coming out tomorrow morning.

Mr. Ross Belsher (Parliamentary Secretary to Minister of Fisheries and Oceans and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, to the hon. member opposite, I can assure him and the House that officials of the Department of Fisheries and Oceans and Employment and Immigration Canada are closely monitoring the situation. They are working on the very problem that he has identified so eloquently here this afternoon.

I can tell the hon. member also that during a recent visit last week the Minister of Fisheries and Oceans met with the premier of Newfoundland, Mr. Wells, and also with Mr. Cashin, President of the Fishermen's Union.

We do realize that many fishermen and plant workers are facing troubling times because they have been able to catch very few fish this season. The severe ice conditions which persisted along the Labrador coast have caused a failure of fish in that area. The conditions along the northeast coast of Newfoundland were somewhat better, but the cold water temperatures resulted in poor capelin and cod fisheries.

For the many industry participants, this is the worst fishing season in recent memory. Inshore ground fishermen and plant workers who rely on the success of this fishery for employment have had their incomes seriously reduced. A comprehensive program of assistance is being developed in co-operation with the province of Newfoundland and Labrador.

Officials are assessing the options available to provide assistance to those affected by the unusually poor fishing season.

I want to allay the fears of the hon. member and assure him that this government is acting in the interests of the people of Newfoundland and Labrador who depend on the fishery. In May the Minister of Fisheries and Oceans announced a special ice compensation program which was able to provide assistance to those who were prevented from beginning the normal fishing season due to severe ice conditions.

The government's $18 million assistance package helped fishermen get through the period when ice problems delayed the opening of the fishery and the government will act again to ensure that hardship is averted throughout the winter by providing a package to assist the fishermen and the plant workers.

[*Translation*]

The Acting Speaker (Mr. DeBlois): The motion to adjourn the House now is deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

The House adjourned at 7.18 p.m.